Company Registration No. 00327936 (England and Wales)

Grangers International Limited

Annual report and financial statements
for the year ended 30 September 2022

Grangers International Limited

Company information

Directors	Martyn Rose Karolina Jones
Secretary	Jacqueline Storer
Company number	00327936
Registered office	Grangers International Ltd Enterprise Way Duckmanton Chesterfield S44 5FD
Independent auditor	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE

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Strategic report
For the year ended 30 September 2022

The directors present the strategic report for the year ended 30 September 2022.

Fair review of the business

The company continued to expand during the year, both in product offering and revenue, leading to record profitability. Through initiatives taken post-Covid, the company continues to grow with revenue after the first four months of the financial year up 26% on the same period last year. The directors have increasing confidence that following the re-launch of the Cherry Blossom shoe care range, the opportunity to become certainly the UK market leader, if not the European market leader, remains in prospect. The company has always been pioneering in developing, manufacturing and supplying the most environmental products within the categories it serves and that remains the case and with continued investment, both within research and development and the marketing platforms, the opportunities available to the company are considerable. The talent, dedication and effectiveness of the company's management team has been proven, not just in their effectiveness but also in their judgement of the market they serve and the results are a testimony to their immeasurable contribution.

Principal risks and uncertainties

The directors have reviewed the key risks to which the company is exposed together with the operating and financial compliance controls which have been implemented to mitigate those risks.

The main risks are as follows:

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs.

Foreign exchange

The business continues to be aware of the financial risk posed by exchange rate fluctuations and in order to mitigate this runs a natural hedge using its Euro and US dollar accounts for receipts and payments in those currencies.

Competition

Competition from abroad where labour rates and compliance and insurance costs are significantly less presents a major threat. The company continues to invest in order to remain competitive.

Development and performance

The company continues to enjoy the confidence of its bank, Handelsbanken and its parent company and stands ready to exploit any opportunities which may present themselves.

On behalf of the board

Martyn Rose
Director
21 June 2023

The directors present their annual report and financial statements for the year ended 30 September 2022.

Principal activities

The principal activity of the company continues to be that of the manufacture of water repelling chemicals and shoe care products and accessories.

Results and dividends

The results for the year are set out on page 8.

An interim ordinary dividend was paid amounting to £410,000. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Martyn Rose
Karolina Jones

Research and development

As a technological leader within the sector in which it operates, it is paramount that the company maintains its high relative spend on research and development which, together with its collaborative ventures, reinforces its market position. We are looking for new products which are compatible with our current ranges and will leverage our market position as a key supplier in the sectors we serve. The company continues investing in people, equipment and systems substantially exceeding its depreciation rate.

Future developments

The external retail environment in the UK and Eurozone, where most of our customers operate is expected to remain very difficult for the foreseeable future. However we remain confident that our investment in human, financial and capital resources should allow the company to drive down costs through greater efficiency. The company will also maintain its already strategic partnership arrangements in the coming year.

Auditor

The auditor, Saffery Champness LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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

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

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Martyn Rose
Director

21 June 2023

Independent auditor's report
To the members of Grangers International Limited

Opinion

We have audited the financial statements of Grangers International Limited (the 'company') for the year ended 30 September 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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 course of 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 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 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, 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 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Lucy Brennan
Senior Statutory Auditor
For and on behalf of Saffery Champness LLP

23 June 2023

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Grangers International Limited

Statement of comprehensive income
For the year ended 30 September 2022

	Notes	2022 £	2021 £
Turnover	**2**	15,759,182	12,230,134
Cost of sales		(7,281,638)	(5,747,558)
Gross profit		8,477,544	6,482,576
Distribution costs		(930,619)	(761,172)
Administrative expenses		(4,769,555)	(4,000,981)
Other operating income		-	15,206
Operating profit	**3**	2,777,370	1,735,629
Interest receivable and similar income	**8**	1,000	-
Interest payable and similar expenses	**7**	(34,652)	(51,650)
Profit before taxation		2,743,718	1,683,979
Tax on profit	**10**	(523,046)	(399,263)
Profit for the financial year		2,220,672	1,284,716

The income statement has been prepared on the basis that all operations are continuing operations.

Grangers International Limited

Statement of financial position
As at 30 September 2022

	Notes	£	2022 £	£	2021 £
Fixed assets					
Intangible assets	**11**		122,117		143,739
Tangible assets	**13**		5,336,279		5,421,486
Investments	**12**		2		2
			5,458,398		5,565,227
Current assets					
Stocks	**15**	3,914,738		2,536,794	
Debtors	**16**	3,016,901		2,126,022	
Cash at bank and in hand		967,277		2,932,428	
		7,898,916		7,595,244	
Creditors: amounts falling due within one year	**17**	(3,082,876)		(2,798,620)	
Net current assets			4,816,040		4,796,624
Total assets less current liabilities			10,274,438		10,361,851
Creditors: amounts falling due after more than one year	**18**		-		(1,900,000)
Provisions for liabilities					
Deferred tax liability	**20**	219,144		217,621	
			(219,144)		(217,621)
Net assets			10,055,294		8,244,230
Capital and reserves					
Called up share capital	**22**		3,884		3,493
Capital redemption reserve			22,790		22,790
Other reserves			9,000		9,000
Profit and loss reserves			10,019,620		8,208,947
Total equity			10,055,294		8,244,230

Statement of financial position (continued)
As at 30 September 2022

The financial statements were approved by the board of directors and authorised for issue on 21 June 2023 and are signed on its behalf by:

Martyn Rose
Director

Company Registration No. 00327936

Grangers International Limited

Statement of changes in equity
For the year ended 30 September 2022

	Notes	Share capital	Capital redemption reserve	Other reserves	Profit and loss reserves	Total
		£	£	£	£	£
Balance at 1 October 2020		3,493	22,790	9,000	7,154,229	7,189,512
Year ended 30 September 2021:						
Profit and total comprehensive income for the year		-	-	-	1,284,716	1,284,716
Dividends	**9**	-	-	-	(229,999)	(229,999)
Balance at 30 September 2021		3,493	22,790	9,000	8,208,946	8,244,229
Year ended 30 September 2022:						
Profit and total comprehensive income for the year		-	-	-	2,220,672	2,220,672
Issue of share capital	**22**	391	-	-	-	391
Dividends	**9**	-	-	-	(410,000)	(410,000)
Balance at 30 September 2022		3,884	22,790	9,000	10,019,618	10,055,292

Grangers International Limited

Statement of cash flows
For the year ended 30 September 2022

		2022		2021	
	Notes	**£**	**£**	**£**	**£**
Cash flows from operating activities					
Cash generated from operations	**28**		1,516,706		1,649,127
Interest paid			(34,652)		(51,650)
Income taxes paid			(421,201)		(256,413)
Net cash inflow from operating activities			1,060,853		1,341,064
Investing activities					
Purchase of intangible assets		(6,363)		(17,123)	
Purchase of tangible fixed assets		(212,532)		(132,446)	
Proceeds on disposal of tangible fixed assets		1,500		2,270	
Interest received		1,000		-	
Net cash used in investing activities			(216,395)		(147,299)
Financing activities					
Proceeds from issue of shares		391		-	
Repayment of bank and intercompany loans		(2,600,000)		(100,000)	
Dividends paid		(210,000)		(229,999)	
Net cash used in financing activities			(2,809,609)		(329,999)
Net (decrease)/increase in cash and cash equivalents			(1,965,151)		863,766
Cash and cash equivalents at beginning of year			2,932,428		2,068,662
Cash and cash equivalents at end of year			967,277		2,932,428

1 Accounting policies

Company information

Grangers International Limited is a private company limited by shares incorporated in England and Wales. The registered office is Grangers International Ltd, Enterprise Way, Duckmanton, Chesterfield, S44 5FD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary a mounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Grangers International Limited is a wholly owned subsidiary of Martyn Rose Limited and the results of Grangers International Limited are included in the consolidated financial statements of Martyn Rose Limited which are available from Companies House.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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 dispatch 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 the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1 Accounting policies (continued)

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Trademarks and patents	10% per annum

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings freehold	2% to 20% per annum
Plant and machinery	10% to 50% per annum
Fixtures, fittings & equipment	10% to 50% per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. No element of profit is included in the valuation of work in progress.

Cost is calculated using the first-in-first-out method.

1 Accounting policies (continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1 Accounting policies (continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.17 Research and development

Costs incurred in respect of research and development are written off in the year in which they are incurred.

2 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022	2021
	£	£
Turnover		
	15,759,182	12,230,134

Other significant revenue		
Interest income	1,000	-
Coronavirus job retention scheme income	-	15,206

Turnover analysed by geographical market

	2022	2021
	£	£
UK	9,597,812	6,537,028
EU	3,273,341	3,171,566
Rest of Europe	3,010	86,518
Africa	28,336	31,028
North America	459,576	358,079
Australasia	576,823	364,281
Asia	354,324	228,940
Rest of the world	1,465,960	1,452,694
	15,759,182	12,230,134

3 Operating profit

	2022	2021
Operating profit for the year is stated after charging/(crediting):	£	£
Exchange (gains)/losses	(515)	8,449
Government grants	-	(15,206)
Fees payable to the company's auditor for the audit of the company's financial statements	27,000	24,160
Depreciation of owned tangible fixed assets	297,739	260,333
(Profit)/loss on disposal of tangible fixed assets	(1,500)	556
Amortisation of intangible assets	27,985	27,080
Operating lease charges	214,075	203,954
Redundancy costs	-	18,625

4 Auditor's remuneration

	2022	2021
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	27,000	24,160

5 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	160,937	175,135
Company pension contributions to defined contribution schemes	68,331	62,184
	229,268	237,319

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 2).

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Administration	32	35
Manufacturing	46	40
	78	75

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	2,133,259	1,870,064
Social security costs	188,204	164,092
Pension costs	112,566	103,310
	2,434,029	2,137,466

7 Interest payable and similar expenses

	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	34,652	51,650

8 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	1,000	-

9 Dividends

	2022	2021
	£	£
Interim paid	410,000	229,999

10 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	522,989	349,761
Adjustments in respect of prior periods	(1,466)	-
Total current tax	521,523	349,761
Deferred tax		
Origination and reversal of timing differences	1,523	47,708
Adjustment in respect of prior periods	-	1,794
Total deferred tax	1,523	49,502
Total tax charge	523,046	399,263

10 Taxation (continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Profit before taxation	2,743,718	1,683,979
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	521,306	319,956
Tax effect of expenses that are not deductible in determining taxable profit	6,831	2,138
Change in unrecognised deferred tax assets	(453)	49,502
Adjustments in respect of prior years	(1,466)	-
Effect of change in corporation tax rate	475	-
Permanent capital allowances in excess of depreciation	9,381	28,128
Other tax adjustments	(13,028)	(461)
Taxation for the year	523,046	399,263

11 Intangible fixed assets

	Trademarks and patents
	£
Cost	
At 1 October 2021	712,938
Additions - internally developed	6,363
At 30 September 2022	719,301
Amortisation and impairment	
At 1 October 2021	569,199
Amortisation charged for the year	27,985
At 30 September 2022	597,184
Carrying amount	
At 30 September 2022	122,117
At 30 September 2021	143,739

12 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	14	2	2

Fixed asset investments not carried at market value

Investments in group undertakings are measured at cost less impairment.

13 Tangible fixed assets

	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 October 2021	4,915,848	1,267,960	544,201	6,728,009
Additions	38,892	153,599	20,041	212,532
Disposals	-	(2,382)	-	(2,382)
At 30 September 2022	4,954,740	1,419,177	564,242	6,938,159
Depreciation and impairment				
At 1 October 2021	279,279	678,820	348,424	1,306,523
Depreciation charged in the year	101,466	124,869	71,404	297,739
Eliminated in respect of disposals	-	(2,382)	-	(2,382)
At 30 September 2022	380,745	801,307	419,828	1,601,880
Carrying amount				
At 30 September 2022	4,573,995	617,870	144,414	5,336,279
At 30 September 2021	4,636,569	589,140	195,777	5,421,486

14 Subsidiaries

Details of the company's subsidiaries at 30 September 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Cherry Blossom Limited	England and Wales	Dormant	Ordinary shares	100.00

15 Stocks

	2022	2021
	£	£
Raw materials and consumables	1,642,806	1,063,536
Work in progress	325,211	312,364
Finished goods and goods for resale	1,946,721	1,160,894
	3,914,738	2,536,794

16 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	2,631,336	1,958,957
Amounts owed by group undertakings	21,800	-
Other debtors	78,831	-
Prepayments and accrued income	284,934	167,065
	3,016,901	2,126,022

17 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	1,988,834	1,039,585
Amounts owed to group undertakings	-	700,000
Corporation tax	286,181	185,859
Other taxation and social security	64,115	105,979
Other creditors	36,580	67,381
Accruals and deferred income	707,166	699,816
	3,082,876	2,798,620

18 Creditors: amounts falling due after more than one year

		2022	2021
	Notes	£	£
Bank loans and overdrafts	19	-	1,900,000

19 Loans and overdrafts

	2022	2021
	£	£
Bank loans	-	1,900,000
Payable after one year	-	1,900,000

Bank loans were repaid in full before maturity in 2022.

20 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2022	Liabilities 2021
Balances:	£	£
Fixed asset timing differences	226,762	225,995
Short term timing differences	(604)	(1,110)
Losses and other deductions	(7,014)	(7,264)
	219,144	217,621

	2022
Movements in the year:	£
Liability at 1 October 2021	217,621
Charge to profit or loss	1,523
Liability at 30 September 2022	219,144

The UK Government have confirmed the main rate of corporation tax will increase to 25% from April 2023. Between 1 April 2020 to 31 March 2023 the corporation tax rate will remain at 19%. At the balance sheet date deferred tax has been calculated at the enacted tax rate of 25%.

21 Retirement benefit schemes

	2022	2021
Defined contribution schemes	**£**	**£**
Charge to profit or loss in respect of defined contribution schemes	112,566	103,310

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

22 Share capital

	2022	2021	2022	2021
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary shares of £1 each	3,493	3,318	3,493	3,318
A Ordinary shares of £1 each	-	175	-	175
B Ordinary shares of £1 each	391	-	391	-
	3,884	3,493	3,884	3,493

The ordinary shares and ordinary A shares rank equally in all respects, except the ordinary A shares give the holder no right to a share in any dividends, and in the event of winding up of the Company, the ordinary A shares would only have a rights to a share in the balance of the assets available for distribution to the extent that they exceed £5 million.

On 21 July 2022, 391 B Ordinary shares with a nominal value of £1 were issued at par value.

Each B ordinary share has no rights in the company with respect to voting and dividends. B ordinary shares rank pari passu with ordinary shares in respect of return of assets over the prescribed threshold amount detailed within the 'Rules of the Grangers International Grow Share Scheme.

These B shares have been issued to employees and form a share based payment. No additional accounting entries are required to reflect this payment as the shares were issued at market value

23 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	39,316	31,959
Between two and five years	23,028	24,902
	62,344	56,861

24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022	2021
	£	£
Acquisition of tangible fixed assets	3,200	-

25 Ultimate controlling party

The parent company and ultimate parent company is Martyn Rose Limited, a company registered in England and Wales. The results and financial position of the company are consolidated into the group accounts of Martyn Rose Limited. Copies can be obtained from the registered office at 71 Queen Victoria Street, London, EC4V 4BE.

The ultimate controlling party is Martyn Rose.

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022	2021
	£	£
Aggregate compensation	423,919	237,319

26 Related party transactions (continued)

During the period, rent totalling £77,000 (2021: £77,000), management fees totalling £10,000 (2021: £nil) and dividends of £410,000 (2021: £230,000) were paid to Martyn Rose Limited, an entity owned by the director of Grangers International Limited.

Repayments of £721,800 (£100,000) were also made to Martyn Rose Limited. The total amount owed to Martyn Rose Limited at the year end was £nil (2021: £700,000). The total amount owed by Martyn Rose Limited is £26,153 at the year end (2021: £nil) - which includes recharged expenses.

27 Analysis of changes in net funds

	1 October 2021	Cash flows	30 September 2022
	£	£	£
Cash at bank and in hand	2,932,428	(1,965,151)	967,277
Borrowings excluding overdrafts	(1,900,000)	1,900,000	-
	1,032,428	(65,151)	967,277

28 Cash generated from operations

	2022	2021
	£	£
Profit for the year after tax	2,220,672	1,284,716
Adjustments for:		
Taxation charged	523,046	399,263
Finance costs	34,652	51,650
Investment income	(1,000)	-
(Gain)/loss on disposal of tangible fixed assets	(1,500)	556
Amortisation and impairment of intangible assets	27,985	27,080
Depreciation and impairment of tangible fixed assets	297,739	260,333
Movements in working capital:		
(Increase)/decrease in stocks	(1,377,944)	39,394
Increase in debtors	(890,879)	(18,889)
Increase/(decrease) in creditors	683,935	(394,977)
Cash generated from operations	1,516,706	1,649,126