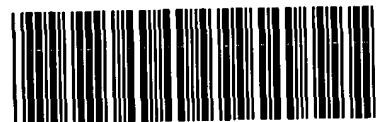


Company Registration No. 02857344 (England and Wales)

**BARLOWS (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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# BARLOWS (UK) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J E Barlow (Chairman) A Caputo T E Barlow M Holden M Scott J Allman N Johnson
<b>Company number</b>	02857344
<b>Registered office</b>	Clifford House Hampton Heath Malpas Cheshire SY14 8LU
<b>Auditor</b>	Huxley Johnston Ltd Aqua House Hampton Heath Industrial Estate Malpas Cheshire SY14 8LY

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# **BARLOWS (UK) LIMITED**

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# BARLOWS (UK) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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

#### **Fair review of the business**

The year ended 30th September 2022 represents the first full year of uninterrupted trading since the Covid-19 pandemic of 2020. Demand for the company's services has been strong, with turnover significantly higher than the 2 previous trading years which were hindered by lockdowns. The company's turnover for the year was in excess of £40m which is 29% higher than the company's previous record turnover of £31m for the year ended 30th September 2019. Turnover for the 2022-23 trading year remains strong and year to date turnover is exceeding that of the comparable period in the past year.

#### **Principal risks and uncertainties**

The UK economy has faced a number of difficulties which have arisen after the Covid-19 pandemic and the war in Ukraine. In particular the UK's rate of inflation has remained high for longer than was previously expected which has led to interest rate rises to levels that have not been seen for more than a decade. UK economic growth has seen a downturn, with growth rates sluggish, but hopes are now that a full scale recession will hopefully be avoided. The company does have a significant number of customers in the hospitality sector which potentially could be impacted by high levels of inflation and the current cost of living crisis. At present the impact on the company's customers appears to be fairly limited as demand for the company's services remains strong. The company is well placed to handle the perceived risks as it has always been managed on a sound, prudent basis. The company has a good level of cash reserves and is not burdened with any long term loans or mortgages. The directors will continue to review the situation and take any necessary actions to fulfil their duties. They remain confident that the company is in a strong position and are well placed to react to the current potential threats to the UK economy.

#### **Development and performance**

The company's turnover has risen to record levels with year ended 30th September 2022 being 29% higher than the company's previous record turnover 3 years ago in 2019. The increased demand for the company's services has continued since the year end and overall turnover is expected to rise again in the financial year ended 2023.

#### **Key performance indicators**

The company's turnover for the year increased by 32% compared to the prior year as trading activities bounced back after the 2 prior years which were adversely effected by the Covid-19 pandemic. The company's turnover for the year was 29% higher than the previous highest in the year ended 2019. The company's gross profit margin (after adjusting for job retention scheme grants in 2021) rose slightly to 22% (2021 20.2%). Net profit before tax was 4% of turnover compared to 3.5% in the prior year.

#### **Other performance indicators**

The company has benefited from building a strong and loyal customer base through providing a trusted and reliable service. These trusted relationships have helped the company recover quickly after the pandemic with turnover for the year now considerably higher than past years. In order to meet the demands of the company's customers the company continued to expand its workforce with total employee numbers being over 20% higher than they were in 2021. The company's excellent staff retention rates and continued investment in its employee's training continues to ensure the company has the highest quality resources to meet the demands of its customers. In the Autumn of 2022 the company employed a new intake of 40 apprentices ensuring the company trains its own engineers for the future. This policy of training its own apprentices is key to being able to expand and service the needs of both its current and future customers and enable the company to continue its long-term expansion.

On behalf of the Board



J E Barlow (Chairman)

Director

19 June 2023

# **BARLOWS (UK) LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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

### **Principal activities**

The principal activity of the company continued to be that of electrical installation and property maintenance services.

### **Results and dividends**

The results for the year are set out on page 7.

No ordinary dividends were paid. 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:

J E Barlow (Chairman)  
A Caputo  
T E Barlow  
M Holden  
M Scott  
J Allman  
N Johnson

### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **Employee involvement**

The company's policy is to consult and discuss with employees, at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is communicated in order to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

### **Future developments**

The directors indicate that the business will continue with its programme of training its own apprentices in order to best meet the demands of its customers in the future.

### **Auditor**

In accordance with the company's articles, a resolution proposing that Huxley Johnston Ltd be reappointed as auditor of the company will be put at a General Meeting.

# BARLOWS (UK) LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 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.

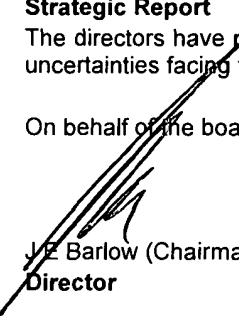
### Statement of disclosure to auditor

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.

### Strategic Report

The directors have prepared a fair review of the company's business activities and reviewed the principle risks and uncertainties facing the company and have detailed their findings within the strategic report set out on page 1.

On behalf of the board

  
J E Barlow (Chairman)  
Director

19 June 2023

# BARLOWS (UK) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF BARLOWS (UK) LIMITED

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#### Opinion

We have audited the financial statements of Barlows (UK) Limited (the 'company') for the year ended 30 September 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 our 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.

# **BARLOWS (UK) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF BARLOWS (UK) LIMITED**

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#### **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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This included consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.



# BARLOWS (UK) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BARLOWS (UK) LIMITED

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### Audit response to risks identified

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override or controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to the material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.



**Diane Margaret Johnston (Senior Statutory Auditor)**

**For and on behalf of Huxley Johnston Ltd**

**Chartered Certified Accountants**

**Statutory Auditor**

Aqua House

Hampton Heath Industrial Estate

Malpas

Cheshire

SY14 8LY

19 June 2023

# BARLOWS (UK) LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	40,290,386	30,524,850
Cost of sales		(31,357,035)	(25,187,973)
<b>Gross profit</b>		<b>8,933,351</b>	<b>5,336,877</b>
Administrative expenses		(7,418,598)	(5,125,775)
Other operating income		129,116	863,278
<b>Operating profit</b>	4	<b>1,643,869</b>	<b>1,074,380</b>
Interest receivable and similar income	8	369	2,096
Interest payable and similar expenses	7	(37,549)	(25,042)
<b>Profit before taxation</b>		<b>1,606,689</b>	<b>1,051,434</b>
Tax on profit	9	(342,862)	(204,851)
<b>Profit for the financial year</b>		<b>1,263,827</b>	<b>846,583</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# BARLOWS (UK) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2022

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	2022 £	2021 £
Profit for the year	1,263,827	846,583
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,263,827</u>	<u>846,583</u>

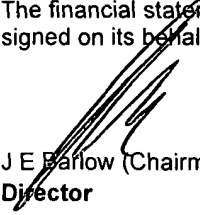
# BARLOWS (UK) LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	11	2,771,444		2,015,653	
Investments	12	6,548		6,548	
		<u>2,777,992</u>		<u>2,022,201</u>	
<b>Current assets</b>					
Stocks	14	1,935,064		1,475,051	
Debtors	15	10,494,958		9,328,037	
Cash at bank and in hand		2,679,063		1,465,335	
		<u>15,109,085</u>		<u>12,268,423</u>	
<b>Creditors: amounts falling due within one year</b>	16	(7,686,558)		(6,413,427)	
<b>Net current assets</b>		<u>7,422,527</u>		<u>5,854,996</u>	
<b>Total assets less current liabilities</b>		<u>10,200,519</u>		<u>7,877,197</u>	
<b>Creditors: amounts falling due after more than one year</b>	17	(684,610)		(115,161)	
<b>Provisions for liabilities</b>					
Deferred tax liability	19	398,138		132,092	
		<u>(398,138)</u>		<u>(132,092)</u>	
<b>Net assets</b>		<u>9,117,771</u>		<u>7,629,944</u>	
<b>Capital and reserves</b>					
Called up share capital	21	1,209		1,202	
Share premium account		591,901		367,908	
Capital redemption reserve		1,053		1,053	
Profit and loss reserves		8,523,608		7,259,781	
<b>Total equity</b>		<u>9,117,771</u>		<u>7,629,944</u>	

The financial statements were approved by the board of directors and authorised for issue on 19 June 2023 and are signed on its behalf by:

  
J E Barlow (Chairman)  
Director

Company Registration No. 02857344

# BARLOWS (UK) LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 October 2020</b>		1,601	367,908	654	7,630,148	8,000,311
<b>Year ended 30 September 2021:</b>						
Profit and total comprehensive income for the year		-	-	-	846,583	846,583
Redemption of shares		(399)	-	399	(1,216,950)	(1,216,950)
<b>Balance at 30 September 2021</b>		1,202	367,908	1,053	7,259,781	7,629,944
<b>Year ended 30 September 2022:</b>						
Profit and total comprehensive income for the year		-	-	-	1,263,827	1,263,827
Issue of share capital	21	7	-	-	-	7
Other		-	223,993	-	-	223,993
<b>Balance at 30 September 2022</b>		1,209	591,901	1,053	8,523,608	9,117,771

# BARLOWS (UK) LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	26		1,931,745		(826,842)
Interest paid			(37,549)		(25,042)
Income taxes paid			(172,703)		(236,926)
<b>Net cash inflow/(outflow) from operating activities</b>			1,721,493		(1,088,810)
<b>Investing activities</b>					
Purchase of tangible fixed assets		212,952		(118,483)	
Proceeds from disposal of tangible fixed assets		67,417		47,050	
Repayment of loans		1,000		60,428	
Interest received		369		2,096	
<b>Net cash generated from/(used in) investing activities</b>			281,738		(8,909)
<b>Financing activities</b>					
Redemption of shares		-		(1,216,950)	
Payment of finance leases obligations		(789,503)		(344,142)	
<b>Net cash used in financing activities</b>			(789,503)		(1,561,092)
<b>Net increase/(decrease) in cash and cash equivalents</b>			1,213,728		(2,658,811)
Cash and cash equivalents at beginning of year			1,465,335		4,124,146
<b>Cash and cash equivalents at end of year</b>			2,679,063		1,465,335

# BARLOWS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 1 Accounting policies

#### Company information

Barlows (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Clifford House, Hampton Heath, Malpas, Cheshire, SY14 8LU.

#### 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 amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 405 of the Companies Act 2006 not to prepare consolidated accounts on the grounds of materiality.

#### 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### 1.4 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.

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:

Freehold property	2% straight line
Long leasehold property	2% straight line
Fixtures, fittings & equipment	20% reducing balance
Computer equipment	33 1/3% straight line
Motor vehicles	25% reducing balance

# BARLOWS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### 1 Accounting policies

(Continued)

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.

#### 1.5 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.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

When stocks are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised.

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.



# BARLOWS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

---

#### 1 Accounting policies

(Continued)

##### 1.8 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

##### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.10 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 balance sheet 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 and cash and bank balances, 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.

# BARLOWS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 1 Accounting policies

(Continued)

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **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.

#### **Basic financial liabilities**

Basic financial liabilities, including 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 payments 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. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# BARLOWS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.11 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.

### 1.12 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 profit and loss account 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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# BARLOWS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.13 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.

#### 1.14 Retirement benefits

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

#### 1.15 Leasing and hire purchase commitments

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### 1.16 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.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

#### 1.17 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.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are 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 considered to be 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.

# BARLOWS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 3 Turnover and other revenue

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

	2022 £	2021 £
<b>Turnover analysed by class of business</b>		
Revenue from the provision of services	40,290,386	30,524,850
	<u>          </u>	<u>          </u>
	2022 £	2021 £
<b>Other revenue</b>		
Interest income	369	2,096
Grants received	122,500	853,522
	<u>          </u>	<u>          </u>

The turnover of the company for the year has been derived from its principal activity of electrical installation and property maintenance services wholly undertaken in the United Kingdom.

#### 4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	317	-
Government grants	(122,500)	(853,522)
Fees payable to the company's auditor for the audit of the company's financial statements	13,300	10,650
Depreciation of owned tangible fixed assets	230,610	215,305
Depreciation of tangible fixed assets held under finance leases	412,003	166,653
(Profit)/loss on disposal of tangible fixed assets	(6,692)	12,809
Share-based payments	224,000	-
Operating lease charges	209,899	184,743
	<u>          </u>	<u>          </u>

#### 5 Employees

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

	2022 Number	2021 Number
Contract managers	27	24
Administration staff	10	8
Engineers	365	329
Other support staff	106	90
	<u>          </u>	<u>          </u>
	508	451
	<u>          </u>	<u>          </u>

# BARLOWS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 5 Employees (Continued)

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	17,856,488	14,900,690
Social security costs	1,770,904	1,436,896
Pension costs	312,967	265,795
	<u>19,940,359</u>	<u>16,603,381</u>

### 6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	1,290,702	1,136,734
Company pension contributions to defined contribution schemes	15,310	13,764
	<u>1,306,012</u>	<u>1,150,498</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 7 (2021 - 8).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	358,484	248,300
Company pension contributions to defined contribution schemes	1,119	1,308
	<u>359,603</u>	<u>249,608</u>

### 7 Interest payable and similar expenses

	2022 £	2021 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Other interest on financial liabilities	37,549	25,042
	<u>37,549</u>	<u>25,042</u>

### 8 Interest receivable and similar income

	2022 £	2021 £
<b>Interest income</b>		
Interest on bank deposits	369	2,096
	<u>369</u>	<u>2,096</u>

# BARLOWS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

(Continued)

### 8 Interest receivable and similar income

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	369	2,096
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### 9 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	76,813	200,000
Adjustments in respect of prior periods	3	(4)
Total current tax	76,816	199,996
<b>Deferred tax</b>		
Origination and reversal of timing differences	266,046	4,855
Total tax charge	342,862	204,851

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	1,606,689	1,051,434
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	305,271	199,772
Tax effect of expenses that are not deductible in determining taxable profit	19,572	6,243
Permanent capital allowances in excess of depreciation	(248,030)	(6,015)
Under/(over) provided in prior years	3	(4)
Deferred tax adjustments in respect of prior years	266,046	4,855
Taxation charge for the year	342,862	204,851

# BARLOWS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 10 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 October 2021 and 30 September 2022	6,460
<b>Amortisation and impairment</b>	
At 1 October 2021 and 30 September 2022	6,460
<b>Carrying amount</b>	
At 30 September 2022	-
At 30 September 2021	-

### 11 Tangible fixed assets

	Freehold property £	Long leasehold property £	Fixtures, fittings & equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 October 2021	821,274	439,572	412,766	137,632	2,955,192	4,766,436
Additions	-	-	25,160	48,550	1,385,419	1,459,129
Disposals	-	-	-	-	(349,480)	(349,480)
At 30 September 2022	821,274	439,572	437,926	186,182	3,991,131	5,876,085
<b>Depreciation and impairment</b>						
At 1 October 2021	221,709	100,338	272,795	123,672	2,032,269	2,750,783
Depreciation charged in the year	15,732	5,886	33,026	26,437	561,532	642,613
Eliminated in respect of disposals	-	-	-	-	(288,755)	(288,755)
At 30 September 2022	237,441	106,224	305,821	150,109	2,305,046	3,104,641
<b>Carrying amount</b>						
At 30 September 2022	583,833	333,348	132,105	36,073	1,686,085	2,771,444
At 30 September 2021	599,565	339,234	139,971	13,960	922,923	2,015,653

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

	2022 £	2021 £
Motor vehicles	1,236,009	499,960
Depreciation charge for the year in respect of leased assets	412,003	166,653



# BARLOWS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 12 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	13	1,000	1,000
Unlisted investments		5,548	5,548
		<u>6,548</u>	<u>6,548</u>

### 13 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 Indirect
Barlows Alarms Limited	England & Wales	Dormant	Ordinary	100 -

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Barlows Alarms Limited	-	1,000

The investments in subsidiaries are all stated at cost.

The results of the subsidiary are not consolidated on the grounds of materiality under Section 405 Companies Act 2006.

### 14 Stocks

	2022 £	2021 £
Material stock and work in progress	<u>1,935,064</u>	<u>1,475,051</u>

### 15 Debtors

Amounts falling due within one year:	2022 £	2021 £
Trade debtors	10,351,631	9,115,251
Corporation tax recoverable	5,200	32,500
Other debtors	81,007	96,871
Prepayments and accrued income	57,120	83,415
	<u>10,494,958</u>	<u>9,328,037</u>

# BARLOWS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 16 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Obligations under finance leases	18	518,486	205,357
Trade creditors		3,164,005	2,441,114
Amounts owed to group undertakings		1,000	1,000
Corporation tax		76,813	200,000
Other taxation and social security		1,149,264	1,052,301
Other creditors		1,634	1,634
Accruals and deferred income		2,775,356	2,512,021
		<u>7,686,558</u>	<u>6,413,427</u>

#### 17 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Obligations under finance leases	18	<u>684,610</u>	<u>115,161</u>

#### 18 Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Within one year	518,486	205,357
In two to five years	<u>684,610</u>	<u>115,161</u>
	<u>1,203,096</u>	<u>320,518</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The finance lease creditors are secured against the related assets in the company.

#### 19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	<u>398,138</u>	<u>132,092</u>

# BARLOWS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 19 Deferred taxation (Continued)

	2022 £
<b>Movements in the year:</b>	
Liability at 1 October 2021	132,092
Charge to profit or loss	266,046
Liability at 30 September 2022	<u>398,138</u>

### 20 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>312,967</u>	<u>265,795</u>

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.

Contributions totalling £31,083 (2021: £3,996) were payable to the fund at the year end and are included in creditors.

### 21 Share capital

	2022 £	2021 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
Ordinary shares of £1 each	1,202	1,202
Ordinary B shares of £1 each	1	-
Ordinary C shares of £1 each	1	-
Ordinary D shares of £1 each	1	-
Ordinary E shares of £1 each	1	-
Ordinary F shares of £1 each	1	-
Ordinary G shares of £1 each	1	-
Ordinary H shares of £1 each	1	-
	<u>1,209</u>	<u>1,202</u>

The Ordinary shares have full rights in the company with respect to voting, dividends and distributions.

The B, C, D, E, F, G and H Ordinary shares have equal voting rights. Each share is also entitled to dividends declared on the class of share at the absolute discretion of the Ordinary shareholders. Upon a company sale, liquidation, etc, the holder will be entitled to 5% of any value in excess of the "base value" as defined in the Company's articles of association.

# BARLOWS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 21 Share capital

(Continued)

On 4th October 2021 the company issued the following share capital:

1 Ordinary B share  
1 Ordinary C share  
1 Ordinary D share  
1 Ordinary E share  
1 Ordinary F share  
1 Ordinary G share  
1 Ordinary H share.

During the year 7 new ordinary shares were issued to key employees to reward and incentivise senior management by involving them in the future growth of the company.

### 22 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	160,205	-
Between two and five years	-	329,010
	<u>160,205</u>	<u>329,010</u>

# BARLOWS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 23 Related party transactions

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2022	2021	2022	2021
	£	£	£	£
Barlows Electrical Supplies Limited	45,619	27,182	7,852,909	5,893,321

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
<b>Amounts owed to related parties</b>		
Barlows Electrical Supplies Limited	1,313,676	1,218,965

The following amounts were outstanding at the reporting end date:

	2022
	Balance
	£
<b>Amounts owed by related parties</b>	
Barlows Electrical Supplies Limited	9,810
	2021
	Balance
	£
<b>Amounts owed in previous period</b>	
Barlows Electrical Supplies Limited	4,851

During the year the company paid rent to Barlows Electrical Supplies Limited of £59,816 (2021: £49,543).

### 24 Directors' transactions

At the balance sheet date, Mr M Scott owed the company £19,500 (2021 - £20,500) and this amount is shown in other debtors. Of the outstanding balance £4,500 has been repaid since the yearend. No interest has been charged on this loan.

### 25 Ultimate controlling party

The company is not controlled by any one party.

# BARLOWS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 26 Cash generated from/(absorbed by) operations

	2022 £	2021 £
Profit for the year after tax	1,263,827	846,583
<b>Adjustments for:</b>		
Taxation charged	342,862	204,851
Finance costs	37,549	25,042
Investment income	(369)	(2,096)
(Gain)/loss on disposal of tangible fixed assets	(6,692)	12,809
Depreciation and impairment of tangible fixed assets	642,613	381,958
Equity settled share based payment expense	224,000	-
<b>Movements in working capital:</b>		
Increase in stocks	(460,013)	(433,350)
Increase in debtors	(1,195,221)	(1,686,849)
Increase/(decrease) in creditors	1,083,189	(175,790)
<b>Cash generated from/(absorbed by) operations</b>	<u>1,931,745</u>	<u>(826,842)</u>

### 27 Analysis of changes in net funds

	1 October 2021 £	Cash flows £	New finance leases £	30 September 2022 £
Cash at bank and in hand	1,465,335	1,213,728	-	2,679,063
Obligations under finance leases	(320,518)	789,503	(1,672,081)	(1,203,096)
	<u>1,144,817</u>	<u>2,003,231</u>	<u>(1,672,081)</u>	<u>1,475,967</u>