

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023
FOR
ENTWISTLE & JOYNT HOLDINGS LIMITED**

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for the Year Ended 31 January 2023**

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ENTWISTLE & JOYNT HOLDINGS LIMITED

COMPANY INFORMATION
for the Year Ended 31 January 2023

DIRECTORS:

Mr I P Entwistle
Mr D J Entwistle
Mr P Entwistle
Mrs D M Entwistle

REGISTERED OFFICE:

62 Darlington Street East
Wigan
Lancashire
WN1 3AT

REGISTERED NUMBER:

08102651 (England and Wales)

AUDITORS:

Fairhurst
Statutory Auditor
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

**GROUP STRATEGIC REPORT
for the Year Ended 31 January 2023**

The directors present their strategic report of the company and the group for the year ended 31 January 2023.

REVIEW OF BUSINESS

During the year 2022-2023 the group had a decrease in turnover from £11.1m in 2021-22 to £9.3m in 2022-23. Some of this decrease was due to the business choosing to exit a national contract with a single customer, therefore, reducing turnover. There was also a reduction in margin to 11.3% (2022: 13.6%) due to poor supplier channel management that affected the value of goods received. Therefore, the group incurred a net loss after tax of £680,812 (2022: loss £90,705).

Continual review of the product portfolio, maximising stock turnover and strong relationships with customers and suppliers ensured the impact of the net loss on cashflow was very well managed.

The group finished the year with a positive cash balance of £347,300 (2022: £437,085) despite the net loss.

The group has continued to invest in the online retail platform in order to grow the new customer base. The wholesale arm of the business continues to be the key area of the business with a continued strong relationship with all customers. In 2022-23 the group remains a preferred supplier to many of the existing buying groups who still recognise the group's ability to offer a wide range of different products/brands that can be delivered when needed to multiple retail locations throughout the UK.

Numerous building maintenance projects were invested in during the year to ensure the workable space within the grounds were maximised and all usable storage spaces were fully utilised for the future, with more accessible square footage added to the business site and new racking replacing older structures and offering more storage overall.

Other key areas of focus within the business continue to be increased performance management and training for members of staff specifically within our IT and Digital infrastructure to strengthen and further develop our online offering. In line with the previous year's strategy the business has made significant improvements in many areas such as procurement, stock control and planning, and digital marketing strategies.

The business has always placed a high emphasis on its excellent customer service, and this has been acknowledged through multiple well-known review sites.

PRINCIPAL RISKS AND UNCERTAINTIES

In terms of financial risk management, the group considers that its biggest risk is disruption to stock supply. In order to mitigate this, the group has ensured alternative stock availability across multiple manufacturers and maintains strong relationships with the key suppliers and pays to terms. Most of the group's revenue is invoiced in sterling and all of its operations and costs arise within the UK. The group does not enter into currency hedging contracts. Furthermore, the group ensures its liquidity is maintained by entering into long term or short-term financial instruments as necessary to support operational and other funding requirements.

CURRENT CLIMATE

Following the covid pandemic years, we have safely brought staff back to the business site, however, we have fully created an integrated hybrid working system which can easily be tapped into as and when required to ensure safe operations can continue unhindered by potential limitations to working practice in future. Both B2C and B2B business arms have endeavoured to remain competitive within the industry and the B2B Wholesale sales have stabilised.

FUTURE DEVELOPMENTS

The group continues to invest in the long term future and has working capital facilities from a supportive bank in order to expand trading.

ON BEHALF OF THE BOARD:

Mr I P Entwistle - Director

31 October 2023

**REPORT OF THE DIRECTORS
for the Year Ended 31 January 2023**

The directors present their report with the financial statements of the company and the group for the year ended 31 January 2023.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of machinery and tool distributors.

DIVIDENDS

Ordinary dividends were paid amounting to £166,000. The directors do not recommend payment of a further dividend.

Preference dividends were paid amounting to £56,898. The directors do not recommend payment of a further dividend.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 February 2022 to the date of this report.

Mr I P Entwistle
Mr D J Entwistle
Mr P Entwistle
Mrs D M Entwistle

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**REPORT OF THE DIRECTORS
for the Year Ended 31 January 2023**

AUDITORS

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

ON BEHALF OF THE BOARD:

Mr I P Entwistle - Director

31 October 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ENTWISTLE & JOYNT HOLDINGS LIMITED

Opinion

We have audited the financial statements of Entwistle & Joynt Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2023 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 January 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ENTWISTLE & JOYNT HOLDINGS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ENTWISTLE & JOYNT HOLDINGS LIMITED

Auditors' responsibilities for the audit of the financial statements

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

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we have identified included Companies Act 2006, Tax legislation, Price Regulation Legislation, data protection, employment, environmental and health & safety legislation.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing minutes of meetings and inspecting legal correspondence.

In assessing the susceptibility of the company's financial statements to material misstatement, including obtaining and understanding of how fraud might occur;

- We gained an understanding of the controls that management have in place to prevent and detect fraud. We enquired of management about any instances of fraud that had taken place during the year.

To address the risk of fraud through management bias and override of controls;

- We performed analytical procedures to identify any unusual or unexpected relationships;
- We tested journal entries to identify unusual transactions; and
- We assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ENTWISTLE & JOYNT HOLDINGS LIMITED**

Use of our report

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

Mrs Jane Dennis BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of Fairhurst
Statutory Auditor
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

31 October 2023

**CONSOLIDATED
INCOME STATEMENT
for the Year Ended 31 January 2023**

	Notes	2023 £	2022 £
TURNOVER	4	9,274,409	11,081,109
Cost of sales		<u>8,225,536</u>	<u>9,576,830</u>
GROSS PROFIT		1,048,873	1,504,279
Administrative expenses		<u>1,738,050</u> (689,177)	<u>1,614,638</u> (110,359)
Other operating income	5	<u>-</u>	<u>4,987</u>
OPERATING LOSS		(689,177)	(105,372)
Interest receivable and similar income		<u>340</u>	<u>-</u>
LOSS BEFORE TAXATION	7	(688,837)	(105,372)
Tax on loss	8	<u>(8,025)</u>	<u>(14,667)</u>
LOSS FOR THE FINANCIAL YEAR		<u>(680,812)</u>	<u>(90,705)</u>

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 January 2023

	Notes	2023 £	£	2022 £	£
FIXED ASSETS					
Tangible assets	11		504,707		505,350
Investments	12		<u>-</u>		<u>-</u>
			504,707		505,350
CURRENT ASSETS					
Stocks	13	1,624,181		2,466,347	
Debtors	14	1,154,650		1,114,183	
Cash at bank and in hand		<u>472,885</u>		<u>437,085</u>	
		3,251,716		4,017,615	
CREDITORS					
Amounts falling due within one year	15	<u>1,305,358</u>		<u>1,160,067</u>	
NET CURRENT ASSETS			<u>1,946,358</u>		<u>2,857,548</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,451,065		3,362,898
PROVISIONS FOR LIABILITIES	19		<u>-</u>		<u>8,123</u>
NET ASSETS			<u>2,451,065</u>		<u>3,354,775</u>
CAPITAL AND RESERVES					
Called up share capital	20		2,845,618		2,845,618
Capital redemption reserve	21		282		282
Retained earnings	21		<u>(394,835)</u>		<u>508,875</u>
SHAREHOLDERS' FUNDS			<u>2,451,065</u>		<u>3,354,775</u>

The financial statements were approved by the Board of Directors and authorised for issue on 31 October 2023 and were signed on its behalf by:

Mr I P Entwistle - Director

COMPANY STATEMENT OF FINANCIAL POSITION
31 January 2023

	Notes	2023 £	£	2022 £	£
FIXED ASSETS					
Tangible assets	11		-		-
Investments	12		<u>3,014,991</u>		<u>3,014,991</u>
			3,014,991		3,014,991
CURRENT ASSETS					
Debtors	14		10		10
CREDITORS					
Amounts falling due within one year	15		<u>168,676</u>		<u>168,676</u>
NET CURRENT LIABILITIES			<u>(168,666)</u>		<u>(168,666)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,846,325</u>		<u>2,846,325</u>
CAPITAL AND RESERVES					
Called up share capital	20		2,845,618		2,845,618
Capital redemption reserve	21		282		282
Retained earnings	21		<u>425</u>		<u>425</u>
SHAREHOLDERS' FUNDS			<u>2,846,325</u>		<u>2,846,325</u>
Company's profit for the financial year			<u>222,898</u>		<u>180,898</u>

The financial statements were approved by the Board of Directors and authorised for issue on 31 October 2023 and were signed on its behalf by:

Mr I P Entwistle - Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 January 2023

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 February 2021	2,845,618	780,478	282	3,626,378
Changes in equity				
Total comprehensive income	-	(90,705)	-	(90,705)
Dividends	-	(180,898)	-	(180,898)
Balance at 31 January 2022	<u>2,845,618</u>	<u>508,875</u>	<u>282</u>	<u>3,354,775</u>
Changes in equity				
Total comprehensive income	-	(680,812)	-	(680,812)
Dividends	-	(222,898)	-	(222,898)
Balance at 31 January 2023	<u>2,845,618</u>	<u>(394,835)</u>	<u>282</u>	<u>2,451,065</u>

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 January 2023

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 February 2021	2,845,618	425	282	2,846,325
Changes in equity				
Total comprehensive income	-	180,898	-	180,898
Dividends	-	(180,898)	-	(180,898)
Balance at 31 January 2022	<u>2,845,618</u>	<u>425</u>	<u>282</u>	<u>2,846,325</u>
Changes in equity				
Total comprehensive income	-	222,898	-	222,898
Dividends	-	(222,898)	-	(222,898)
Balance at 31 January 2023	<u>2,845,618</u>	<u>425</u>	<u>282</u>	<u>2,846,325</u>

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
for the Year Ended 31 January 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	154,511	(86,027)
Tax paid		<u>(370)</u>	<u>(21,854)</u>
Net cash from operating activities		<u>154,141</u>	<u>(107,881)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(31,164)	(7,971)
Interest received		<u>340</u>	<u>-</u>
Net cash from investing activities		<u>(30,824)</u>	<u>(7,971)</u>
Cash flows from financing activities			
Amount introduced by directors		90,270	73,661
Amount withdrawn by directors		(80,474)	(77,989)
Equity dividends paid		<u>(222,898)</u>	<u>(180,898)</u>
Net cash from financing activities		<u>(213,102)</u>	<u>(185,226)</u>
Decrease in cash and cash equivalents		<u>(89,785)</u>	<u>(301,078)</u>
Cash and cash equivalents at beginning of year	2	437,085	738,163
Cash and cash equivalents at end of year	2	<u><u>347,300</u></u>	<u><u>437,085</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
for the Year Ended 31 January 2023

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

	2023	2022
	£	£
Loss before taxation	(688,837)	(105,372)
Depreciation charges	31,807	28,910
Finance income	(340)	-
	<u>(657,370)</u>	<u>(76,462)</u>
Decrease/(increase) in stocks	842,166	(230,447)
(Increase)/decrease in trade and other debtors	(42,416)	495,220
Increase/(decrease) in trade and other creditors	<u>12,131</u>	<u>(274,338)</u>
Cash generated from operations	<u>154,511</u>	<u>(86,027)</u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 January 2023

	31/1/23	1/2/22
	£	£
Cash and cash equivalents	472,885	437,085
Bank overdrafts	<u>(125,585)</u>	<u>-</u>
	<u>347,300</u>	<u>437,085</u>

Year ended 31 January 2022

	31/1/22	1/2/21
	£	£
Cash and cash equivalents	<u>437,085</u>	<u>738,163</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/2/22	Cash flow	At 31/1/23
	£	£	£
Net cash			
Cash at bank and in hand	437,085	35,800	472,885
Bank overdrafts	<u>-</u>	<u>(125,585)</u>	<u>(125,585)</u>
	<u>437,085</u>	<u>(89,785)</u>	<u>347,300</u>
Total	<u>437,085</u>	<u>(89,785)</u>	<u>347,300</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 January 2023

1. STATUTORY INFORMATION

Entwistle & Joynt Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Going concern

The group has continued to be adversely affected by the impact of the Covid-19 pandemic which has restricted normal operations. The directors are continuing to monitor developments and all emerging risks regarding the impact of the pandemic.

The directors have prepared a cashflow forecast which demonstrates that the group should be able to work within its agreed banking facilities, in order to withstand the impact of potential adverse trading conditions arising due to the pandemic, whilst being able to continue to meet its liabilities as they fall due for payment during the 12 month period following approval of the accounts. Therefore the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Basis of consolidation

The consolidated financial statements incorporate those of Entwistle & Joynt Holdings Limited and its subsidiary undertakings (ie entities that the group controls through its power to govern the financial and operating policies so as to gain economic benefits).

All financial statement are made up to 31st January 2022.

Investment in subsidiaries

In the company's financial statements, investments in subsidiary undertakings are stated at cost less impairment.

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group using accounting policies consistent with those of the parent. All intra group transactions, balances, income and expenses are eliminated in full on consolidation.

Turnover

Turnover represents amounts receivable for the sale of goods as machinery and tool distributors, net of VAT and trade discounts.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 January 2023

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	- 2% per annum straight line
Long leasehold	- 2% per annum straight line
Plant and machinery	- 25% per annum straight line
Fixtures and fittings	- 10% per annum straight line
Motor vehicles	- 25% per annum straight line

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible 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 group 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.

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.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. The cost of stock is measured using the weighted average cost formula.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 January 2023

2. ACCOUNTING POLICIES - continued

Financial instruments

The group 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 group's balance sheet when the group 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

The group does not have any financial assets which are not classified as basic financial instruments.

Impairment of financial assets

Financial assets 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 group 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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 January 2023

2. ACCOUNTING POLICIES - continued

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.

Other financial liabilities

The group does not have any financial liabilities which are not classified as basic financial instruments.

Derecognition of financial liabilities

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

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

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

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

Foreign currencies

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

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Development expenditure

Identifiable development expenditure is written off against profits in the year in which it is incurred, even if the technical, commercial and financial feasibility can be demonstrated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 January 2023

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group'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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase and is then reassessed at each reporting date. A useful economic life of 50 years is applied to land and buildings, 4 years for plant and machinery and motor vehicles, and 10 years for fixtures, fittings and equipment.

Classification of finance and operating leases

At the inception of each lease, management undertake an assessment of the terms of the lease including the payments to be made over the life of the lease, the fair value of the asset subject to the lease, the length of the lease and whether the terms of the lease transfer substantially all of the risks and rewards of ownership..

Based on this assessment, management will determine whether the lease should be classified as a finance or operating lease.

Classification of preference shares

The directors are required to consider whether the preference shares constitute debt or an equity instrument. The preference shares are redeemable at the direction of the Board of Directors. The shares confer the right to a cumulative variable preferential dividend at a variable rate to be determined by the Board, in consultation with shareholders. As the shares do not carry any fixed contractual cashflows, the directors have concluded that the shares represent an equity instrument.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Provision for irrecoverable trade debtors

At each balance sheet date, management undertake a review of the outstanding trade debtor balances and estimate the balance that should either be impaired or provided against.

This calculation is based on the financial position of the customers, the historical speed of payment and any ongoing discussions.

Provision for slow moving and obsolete stock

At each balance sheet date, management undertake an assessment of the value at which stock items are held within the accounts. The provision is calculated on an individual stock line basis, with due regards to previous and expected future stock movements. The provision is reviewed and updated at each reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 January 2023

4. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2023	2022
	£	£
United Kingdom	9,210,933	10,997,731
Overseas sales	63,476	83,378
	<u>9,274,409</u>	<u>11,081,109</u>

5. OTHER OPERATING INCOME

The group took advantage of COVID-19 government grants in the year ending 31 January 2022.

Included within other income is £NIL (2022 - £4,987) of government grants relating to furlough income received.

6. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	678,241	743,264
Social security costs	50,993	58,532
Other pension costs	13,526	14,018
	<u>742,760</u>	<u>815,814</u>

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

	2023	2022
Directors	3	3
Management and office administration	4	4
Sales and distribution	24	27
	<u>31</u>	<u>34</u>

	2023	2022
	£	£
Directors' remuneration	<u>28,009</u>	<u>26,093</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2023	2022
Money purchase schemes	<u>2</u>	<u>2</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 January 2023

7. LOSS BEFORE TAXATION

The loss is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation - owned assets	31,807	28,910
Auditors' remuneration	7,650	7,650
Foreign exchange differences	(7,902)	2,675
Operating lease charges	<u>86,274</u>	<u>98,161</u>

8. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2023	2022
	£	£
Current tax:		
Adjustment re prior year	98	-
Losses carried back to prior year	-	(15,574)
Total current tax	<u>98</u>	<u>(15,574)</u>
Deferred tax:		
Origination and reversal of timing differences	(8,123)	907
Tax on loss	<u>(8,025)</u>	<u>(14,667)</u>

9. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 January 2023

10. DIVIDENDS

	2023 £	2022 £
A Ordinary shares of £1 each Interim	12,500	-
B Ordinary shares of £1 each Interim	12,500	-
C Ordinary shares of £1 each Interim	35,270	35,270
D Ordinary shares of £1 each Interim	12,730	12,730
E Ordinary shares of £1 each Interim	26,000	26,000
F Ordinary shares of £1 each Interim	29,000	12,000
G Ordinary shares of £1 each Interim	38,000	38,000
Preference shares of £1 each Interim	56,898	56,898
	<u>222,898</u>	<u>180,898</u>

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long leasehold £	Plant and machinery £
COST			
At 1 February 2022	542,921	264,474	108,226
Additions	-	-	4,147
Disposals	-	-	-
At 31 January 2023	<u>542,921</u>	<u>264,474</u>	<u>112,373</u>
DEPRECIATION			
At 1 February 2022	227,627	110,624	98,095
Charge for year	10,852	5,288	5,899
Eliminated on disposal	-	-	-
At 31 January 2023	<u>238,479</u>	<u>115,912</u>	<u>103,994</u>
NET BOOK VALUE			
At 31 January 2023	<u>304,442</u>	<u>148,562</u>	<u>8,379</u>
At 31 January 2022	<u>315,294</u>	<u>153,850</u>	<u>10,131</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 January 2023

11. TANGIBLE FIXED ASSETS - continued

Group

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 February 2022	111,468	11,883	1,038,972
Additions	27,017	-	31,164
Disposals	-	(11,883)	(11,883)
At 31 January 2023	<u>138,485</u>	<u>-</u>	<u>1,058,253</u>
DEPRECIATION			
At 1 February 2022	85,393	11,883	533,622
Charge for year	9,768	-	31,807
Eliminated on disposal	-	(11,883)	(11,883)
At 31 January 2023	<u>95,161</u>	<u>-</u>	<u>553,546</u>
NET BOOK VALUE			
At 31 January 2023	<u>43,324</u>	<u>-</u>	<u>504,707</u>
At 31 January 2022	<u>26,075</u>	<u>-</u>	<u>505,350</u>

12. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 February 2022 and 31 January 2023	<u>3,014,991</u>
NET BOOK VALUE	
At 31 January 2023	<u>3,014,991</u>
At 31 January 2022	<u>3,014,991</u>

13. STOCKS

	Group	
	2023 £	2022 £
Goods for resale	<u>1,624,181</u>	<u>2,466,347</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 January 2023

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

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	861,304	795,997	-	-
Other debtors	10	10	10	10
Directors' loan accounts	-	2,221	-	-
Tax	15,846	15,574	-	-
Prepayments and accrued income	277,490	300,381	-	-
	<u>1,154,650</u>	<u>1,114,183</u>	<u>10</u>	<u>10</u>

15. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans and overdrafts (see note 16)	125,585	-	-	-
Trade creditors	967,051	957,499	-	-
Amounts owed to group undertakings	-	-	168,676	168,676
Social security and other taxes	11,695	11,838	-	-
VAT	81,181	98,994	-	-
Other creditors	19,782	27,269	-	-
Directors' loan accounts	12,322	4,747	-	-
Accruals and deferred income	87,742	59,720	-	-
	<u>1,305,358</u>	<u>1,160,067</u>	<u>168,676</u>	<u>168,676</u>

16. **LOANS**

An analysis of the maturity of loans is given below:

	Group	
	2023	2022
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>125,585</u>	<u>-</u>

17. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group	Non-cancellable operating leases	
	2023	2022
	£	£
Within one year	31,067	74,303
Between one and five years	<u>47,351</u>	<u>77,278</u>
	<u>78,418</u>	<u>151,581</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 January 2023

18. SECURED DEBTS

Total bank borrowings were secured by a first legal charge over the property at 62 Darlington Street East, Wigan, a debenture incorporating a fixed and floating charge over the group's current and future assets. There is a cross company guarantee across the group.

19. PROVISIONS FOR LIABILITIES

	Group	
	2023	2022
	£	£
Deferred tax		
Other timing differences	-	(929)
Deferred tax	-	9,052
	<u>-</u>	<u>8,123</u>

Group

	Deferred tax
	£
Balance at 1 February 2022	8,123
Credit to Income Statement during year	(8,123)
Balance at 31 January 2023	<u>-</u>

The deferred tax asset on losses carried forward has not been provided for in these financial statements.

The group has not finalised its capital expenditure programme for the next financial year and therefore an assessment as to the likely movement of timing differences cannot reasonably be made.

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023	2022
			£	£
44	A Ordinary	£1	44	44
38	B Ordinary	£1	38	38
182	C Ordinary	£1	182	182
64	D Ordinary	£1	64	64
64	E Ordinary	£1	64	64
182	F Ordinary	£1	182	182
144	G Ordinary	£1	144	144
2,844,900	Preference	£1	2,844,900	2,844,900
			<u>2,845,618</u>	<u>2,845,618</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 January 2023

21. RESERVES

Group

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 February 2022	508,875	282	509,157
Deficit for the year	(680,812)	-	(680,812)
Dividends	(222,898)	-	(222,898)
At 31 January 2023	<u>(394,835)</u>	<u>282</u>	<u>(394,553)</u>

Company

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 February 2022	425	282	707
Profit for the year	222,898		222,898
Dividends	(222,898)		(222,898)
At 31 January 2023	<u>425</u>	<u>282</u>	<u>707</u>

22. PENSION COMMITMENTS

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

23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 January 2023 and 31 January 2022:

	2023 £	2022 £
D J Entwistle		
Balance outstanding at start of year	2,221	-
Amounts advanced	-	40,221
Amounts repaid	(2,221)	(38,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>2,221</u>

24. POST BALANCE SHEET EVENTS

Dividends of £135,674 have been paid to the shareholders between the balance sheet date and the signing of the auditor's report.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.