

REGISTERED NUMBER: 11731663 (England and Wales)

**Group Strategic Report, Report of the Directors and
Audited Consolidated Financial Statements for the Year Ended 31 March 2023
for
Hammonds of Knutsford Holdings Limited**

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for the Year Ended 31 March 2023**

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Hammonds of Knutsford Holdings Limited

**Company Information
for the Year Ended 31 March 2023**

DIRECTORS:	Mrs S L H Hammond J Hammond
REGISTERED OFFICE:	Warford Grange Farm Pedley House Lane Great Warford Knutsford United Kingdom WA16 7SP
REGISTERED NUMBER:	11731663 (England and Wales)
SENIOR STATUTORY AUDITOR:	Philip Harrison BSc ACA
AUDITORS:	Xeinadin Audit Limited 116 Duke Street Liverpool England L1 5JW

**Group Strategic Report
for the Year Ended 31 March 2023**

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

The principal activity of the group in the year under review was that of wholesalers of beer, wine and spirits.

REVIEW OF BUSINESS

During the year turnover was £36,259,725 (2022 - £43,116,372) and the gross profit generated was £4,509,190 (2022 - £5,536,306).

The directors will continue to expand the product range and customer base across the UK by attracting high calibre sales staff to add to the current team. The company aims to build long term relationships with customers, and the business model is not reliant on one particular sector or group of customers.

The group's cash position continues to be satisfactory so it is not vulnerable to interest rate movements and it also enables the group to take advantage of any opportunities to purchase stock that is available at special prices, which in the current economic climate puts the group in a strong position.

The group will continue to sustain a healthy margin that will fund organic growth and if necessary cover any unforeseen circumstances that may arise in the years to come.

Key performance indicators

	2023	2022
Gross profit margin	12.44%	12.84%
Operating profit before tax	2,768,422	3,646,441
R.O.C.E	11.81%	16.78%
Net Current Assets	£22,586,061	£21,126,048

The retained profit for the year is £1,964,588 (2022 - £4,173,685), which the directors consider as adequate to fund the future growth of the business and cover any unforeseen circumstances in the next twelve months. The reserves have increased to £22,726,428 (2022 - £20,937,620) and cash balances were £2,409,236 (2022 - £3,426,367).

PRINCIPAL RISKS AND UNCERTAINTIES

Credit risk

The Group mitigates external credit risk by selling to a large and varied customer base. In addition, when appropriate, the Group undertakes credit checks and reviews references. The Group also has a robust credit control policy and will not supply to customers in default of agreed terms. The Group is a member of the credit protection association.

Impact of Brexit

Due to Brexit the Group has experienced a negative impact in terms of disruptions in imports from the EU and general economic downturn affecting all businesses. However, the Group feels they are in a good position to mitigate any negative impacts as a large proportion of their supplies are sourced in the UK and the group keep high levels of stock to cover any disruptions. Any economic downturn would not significantly impact the core business and profitability.

Employee relations and involvement

The Group is committed to the principle of employee involvement and keeps staff informed of all progress and development, and consequently has a very low turnover of staff.

The Group's financial instruments consist of investments in publicly traded entities, items arising directly from operations such as trade debtors and trade creditors, and other debtors and creditors. The main risks arising from these financial instruments are the liquidity risk. These are managed and any necessary impairment reflected in these financial statements.

**Group Strategic Report
for the Year Ended 31 March 2023**

SECTION 172(1) STATEMENT

This section of the strategic report describes how the director has had regards to the matters set out in section 172 (1) (a) to (f) and forms the director's statements required under section 414CZA of the Companies Act 2006.

The director understands that the group's relationships with its stakeholders are dynamic, and that stakeholders' interests may change over time. In response to this, the director keeps himself informed of the group's key stakeholders' interests through a combination of both direct and indirect engagement. The director always recognises his responsibility to the group's stakeholders when discharging his duties.

The Director has identified the key stakeholders' suppliers, customers, and employees.

SUPPLIERS

The director recognises that supplier involvement is central to the quality of the group's service and to ensure that as a business we meet the high standards of conduct that we set for ourselves. The group continues to build strong relationships with its key suppliers and continually monitor supplier payment days. The group has a clear process for selecting and managing its suppliers. For key suppliers we perform due diligence around their working practices and code of ethics as well as their financial viability.

CUSTOMERS

The director understands that what's important to customers is key to our long-term success. We continue to build strong relationships with our customers. The group has a clear process for selecting and managing its customers. For all customers we perform due diligence and code of ethics as well as their financial stability and viability

EMPLOYEES

The director recognises that the importance of a highly engaged and motivated workforce is fundamental and core to our business and to the delivery of our strategic ambitions.

RESEARCH AND DEVELOPMENT

The group has been engaged in research and development activities to improve their stock and accounting software. The directors believe strongly that this will enhance the groups capabilities.

ASSESSMENT OF PROSPECTS AND VIABILITY

Based on the director's assessment of prospects and viability, the directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities.

FUTURE DEVELOPMENTS

In the following year the Group expects to invest further in the development of their bespoke stock and accounting software, which will potentially improve accuracy and efficiency.

ON BEHALF OF THE BOARD:

J Hammond - Director

29 September 2023

**Report of the Directors
for the Year Ended 31 March 2023**

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

DIVIDENDS

Interim dividends totalling £37.04169 per share were paid during the year. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 March 2023 will be £ 175,960 .

DIRECTORS

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

Mrs S L H Hammond
J Hammond

DISCLOSURE IN THE STRATEGIC REPORT

The strategic report contains information on future developments, financial risk and exposure and research and development activities.

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 March 2023**

AUDITORS

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

ON BEHALF OF THE BOARD:

J Hammond - Director

29 September 2023

Report of the Independent Auditors to the Members of Hammonds of Knutsford Holdings Limited

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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
Hammonds of Knutsford 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 four, 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 Hammonds of Knutsford 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:

Group

Identifying and Assessing Potential Risks Related to Irregularities

Enquiring of management, including obtaining and reviewing supporting documentation concerning the group's policies and procedures relating to:

Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations
discussing among the engagement team including relevant internal specialists, including tax, valuations, pensions and IT regarding how and where fraud might occur in the financial statements and any potential indicators of fraud
obtaining an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the group. The key laws and regulations we considered in this context included the Companies Act 2006, Pension legislation, Tax legislation, and Health and Safety requirements.

Audit Response to Risks Identified

In addition to the above, our procedures to respond to risks identified included the following:

reviewing the Financial Statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;

enquiring of management concerning actual and potential litigation and claims;

performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and

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

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

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
Hammonds of Knutsford 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.

Philip Harrison BSc ACA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited
116 Duke Street
Liverpool
England
L1 5JW

29 September 2023

Hammonds of Knutsford Holdings Limited (Registered number: 11731663)

**Consolidated
Income Statement
for the Year Ended 31 March 2023**

	Notes	31.3.23 £	£	31.3.22 £	£
TURNOVER			36,259,725		43,116,372
Cost of sales			<u>31,750,535</u>		<u>37,580,065</u>
GROSS PROFIT			4,509,190		5,536,307
Administrative expenses			<u>2,044,259</u>		<u>2,226,679</u>
			2,464,931		3,309,628
Other operating income			<u>961,866</u>		<u>336,813</u>
OPERATING PROFIT	4		3,426,797		3,646,441
Exceptional item	5		<u>658,375</u>		<u>-</u>
			2,768,422		3,646,441
Income from fixed asset investments		473,210		289,875	
Interest receivable and similar income		<u>37,965</u>		<u>35,626</u>	
			511,175		325,501
			3,279,597		3,971,942
Gain/loss on revaluation of investments			<u>(1,683,848)</u>		<u>682,465</u>
			1,595,749		4,654,407
Interest payable and similar expenses	6		<u>143,550</u>		<u>118,384</u>
PROFIT BEFORE TAXATION			1,452,199		4,536,023
Tax on profit	7		<u>(512,389)</u>		<u>362,338</u>
PROFIT FOR THE FINANCIAL YEAR			<u>1,964,588</u>		<u>4,173,685</u>
Profit attributable to:					
Owners of the parent			<u>1,964,588</u>		<u>4,173,685</u>

The notes form part of these financial statements

Hammonds of Knutsford Holdings Limited (Registered number: 11731663)

**Consolidated
Other Comprehensive Income
for the Year Ended 31 March 2023**

	31.3.23 £	31.3.22 £
Notes		
PROFIT FOR THE YEAR	1,964,588	4,173,685
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME		
FOR THE YEAR	<u>1,964,588</u>	<u>4,173,685</u>
Total comprehensive income attributable to: Owners of the parent	<u>1,964,588</u>	<u>4,173,685</u>

The notes form part of these financial statements

Hammonds of Knutsford Holdings Limited (Registered number: 11731663)

**Consolidated Balance Sheet
31 March 2023**

	Notes	31.3.23 £	£	31.3.22 £	£
FIXED ASSETS					
Tangible assets	10		853,764		602,884
Investments	11		<u>1</u>		<u>1</u>
			853,765		602,885
CURRENT ASSETS					
Stocks	12	5,850,004		4,001,492	
Debtors	13	7,132,655		8,153,951	
Investments	14	18,492,895		16,844,760	
Cash at bank and in hand		<u>2,409,236</u>		<u>3,426,367</u>	
		33,884,790		32,426,570	
CREDITORS					
Amounts falling due within one year	15	<u>11,298,728</u>		<u>11,300,522</u>	
NET CURRENT ASSETS			<u>22,586,062</u>		<u>21,126,048</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			23,439,827		21,728,933
PROVISIONS FOR LIABILITIES	17		<u>713,579</u>		<u>791,313</u>
NET ASSETS			<u><u>22,726,248</u></u>		<u><u>20,937,620</u></u>
CAPITAL AND RESERVES					
Called up share capital	18		37,524		37,524
Merger reserve	19		12,476		12,476
Retained earnings	19		<u>22,676,248</u>		<u>20,887,620</u>
SHAREHOLDERS' FUNDS			<u><u>22,726,248</u></u>		<u><u>20,937,620</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2023 and were signed on its behalf by:

J Hammond - Director

Hammonds of Knutsford Holdings Limited (Registered number: 11731663)

**Company Balance Sheet
31 March 2023**

	Notes	31.3.23 £	£	31.3.22 £	£
FIXED ASSETS					
Tangible assets	10		-		-
Investments	11		<u>37,524</u>		<u>37,524</u>
			37,524		37,524
CURRENT ASSETS					
Debtors	13	1,651,687		9,121,776	
Investments	14	8,870,343		1,934,801	
Cash at bank		<u>328,258</u>		<u>10,724</u>	
		10,850,288		11,067,301	
CREDITORS					
Amounts falling due within one year	15	<u>175,960</u>		-	
NET CURRENT ASSETS			<u>10,674,328</u>		<u>11,067,301</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>10,711,852</u>		<u>11,104,825</u>
CAPITAL AND RESERVES					
Called up share capital	18		37,524		37,524
Retained earnings			<u>10,674,328</u>		<u>11,067,301</u>
SHAREHOLDERS' FUNDS			<u>10,711,852</u>		<u>11,104,825</u>
Company's (loss)/profit for the financial year			<u>(217,013)</u>		<u>3,053,853</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2023 and were signed on its behalf by:

J Hammond - Director

The notes form part of these financial statements

**Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2023**

	Called up share capital £	Retained earnings £	Merger reserve £	Total equity £
Balance at 1 April 2021	37,524	16,713,935	12,476	16,763,935
Changes in equity				
Total comprehensive income	-	4,173,685	-	4,173,685
Balance at 31 March 2022	37,524	20,887,620	12,476	20,937,620
Changes in equity				
Dividends	-	(175,960)	-	(175,960)
Total comprehensive income	-	1,964,588	-	1,964,588
Balance at 31 March 2023	37,524	22,676,248	12,476	22,726,248

**Company Statement of Changes in Equity
for the Year Ended 31 March 2023**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	37,524	8,013,448	8,050,972
Changes in equity			
Total comprehensive income	-	3,053,853	3,053,853
Balance at 31 March 2022	<u>37,524</u>	<u>11,067,301</u>	<u>11,104,825</u>
Changes in equity			
Dividends	-	(175,960)	(175,960)
Total comprehensive income	-	(217,013)	(217,013)
Balance at 31 March 2023	<u>37,524</u>	<u>10,674,328</u>	<u>10,711,852</u>

**Consolidated Cash Flow Statement
for the Year Ended 31 March 2023**

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	1	3,351,391	4,224,777
Interest paid		(143,550)	(118,384)
Tax paid		(25,406)	(375,500)
Net cash from operating activities		<u>3,182,435</u>	<u>3,730,893</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(426,851)	(442,613)
Sale of tangible fixed assets		(1)	-
Sale of fixed asset investments		(47,325)	-
Purchase of current asset investments		(3,331,984)	(3,596,424)
Interest received		37,965	35,626
Dividends received		473,210	289,875
Net cash from investing activities		<u>(3,294,986)</u>	<u>(3,713,536)</u>
Cash flows from financing activities			
Amount introduced by directors		223,442	94,209
Amount withdrawn by directors		(1,063,342)	(754,260)
Equity dividends paid		(175,960)	-
Net cash from financing activities		<u>(1,015,860)</u>	<u>(660,051)</u>
Decrease in cash and cash equivalents		<u>(1,128,411)</u>	<u>(642,694)</u>
Cash and cash equivalents at beginning of year	2	3,426,367	4,069,061
Cash and cash equivalents at end of year	2	<u>2,297,956</u>	<u>3,426,367</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2023

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

	31.3.23	31.3.22
	£	£
Profit before taxation	1,452,199	4,536,023
Depreciation charges	168,357	132,519
Loss on disposal of fixed assets	54,937	-
Gain on revaluation of current assets	-	(682,465)
Loss on revaluation of current assets	1,683,848	-
Finance costs	143,550	118,384
Finance income	(511,175)	(325,501)
	<u>2,991,716</u>	<u>3,778,960</u>
(Increase)/decrease in stocks	(1,848,512)	101,210
Decrease in trade and other debtors	1,021,299	370,932
Increase/(decrease) in trade and other creditors	<u>1,186,888</u>	<u>(26,325)</u>
Cash generated from operations	<u><u>3,351,391</u></u>	<u><u>4,224,777</u></u>

2. **CASH AND CASH EQUIVALENTS**

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

Year ended 31 March 2023

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	2,409,236	3,426,367
Bank overdrafts	(111,280)	-
	<u><u>2,297,956</u></u>	<u><u>3,426,367</u></u>

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	3,426,367	4,209,148
Bank overdrafts	-	(140,087)
	<u><u>3,426,367</u></u>	<u><u>4,069,061</u></u>

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2023

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank and in hand	3,426,367	(1,017,131)	2,409,236
Bank overdrafts	-	(111,280)	(111,280)
	<u>3,426,367</u>	<u>(1,128,411)</u>	<u>2,297,956</u>
Liquid resources			
Current asset investments	16,844,760	1,648,135	18,492,895
	<u>16,844,760</u>	<u>1,648,135</u>	<u>18,492,895</u>
Total	<u>20,271,127</u>	<u>519,724</u>	<u>20,790,851</u>

**Notes to the Consolidated Financial Statements
for the Year Ended 31 March 2023**

1. STATUTORY INFORMATION

Hammonds of Knutsford Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number is 11731663 and the registered office is Warford Grange Farm, Pedley House Lane, Great Warford, Knutsford, Cheshire WA16 7SP.

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

The principal activity of the company is that of a holding company.

The principal activity of the group is that of wholesalers of beers, wines and spirits.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

There 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 other than current asset investments which are held at fair value.

Basis of consolidation

On 16th October 2019 Hammonds of Knutsford Holdings Limited acquired 100% of the share capital of Hammonds of Knutsford Plc for a non cash, share exchange for all the issued share capital in Hammonds of Knutsford Holdings Limited.

Following the restructure the financial statements were prepared under the merger accounting basis as permitted by FRS 102 section 19.27 which states that company law must not prohibit the use of merger accounting, the ultimate equity holders must remain the same with the rights of each equity holder being unchanged and that no non-controlling interest in the net assets of the group is altered.

The combining entities are Hammonds of Knutsford Holdings Limited and Hammonds of Knutsford Plc.

As per FRS 102 19.29 merger accounting allows the carrying value of the assets and liabilities of the combining entities to be used, although appropriate adjustments have been made to achieve uniformity of accounting policies and to remove any transactions and balances that have been conducted between the combining entities.

FRS 102 19.30 allows the results and cash flows of all combining entities to be brought into the financial statements of the combined entity from the beginning of the financial year in which the combination occurred and for the comparative information to be restated by including the total comprehensive for all combining entities for the previous reporting period and their statement of financial position for the previous reporting date.

As described in FRS 102 19.31 the difference between the value of the shares and the fair value of the consideration is shown as a movement on other reserves in these consolidated financial statements and shown in the statement of changes in equity.

The consideration for Hammonds of Knutsford Plc given by Hammonds of Knutsford Holdings Limited as part of the group restructure in 2019 was 37,524 £1 shares in Hammonds of Knutsford Holdings Limited.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates

In the application of the group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily available from other sources. The estimates and underlying assumptions are based on experience and other factors considered to be relevant. Actual results may differ from these estimates.

The key judgements and sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Estimated useful lives and residual values of fixed assets

As described in the accounting policies, depreciation and amortisation of tangible and intangible fixed assets has been based on estimated useful lives and residual values deemed appropriate by the directors. Estimated useful lives and residual values are reviewed annually and revised if necessary. The carrying amount of fixed assets at the end of the reporting period was £853,764.

Impairment of slow moving and obsolete stock

As stated in the accounting policy stock is valued at the lower of cost and net realisable value with an allowance for slow moving and obsolete stock. This allowance is reviewed annually by the directors and is based on historical sales, future orders and age of the stock. At the year end the stock provision has increased by £122,008 to £487,405.

Turnover

Turnover represents net invoiced sales from the supply of beers, wines and spirits and is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Income is recognised at the time the goods are despatched, delivered or collected by customers.

Tangible fixed assets

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

Improvements to property	- 10% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

Fixed assets are recorded at cost less depreciation and provisions for impairment if applicable.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is determined on a first in, first out basis and includes carriage and duty costs. Net realisable value is based on estimated selling price less any further costs expected to be incurred to disposal.

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. The amount of any write down of stocks to net realisable value and all losses of stock are recognised as an expense in the period in which write downs or losses occur. The amount of any reversal of any write down of stocks is recognised in the period as a reduction in the amount of stock recognised as an expense in the period in which the reversal occurs.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets that are measured at amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit and loss.

Other investments are managed listed investments. They are initially recognised at cost then subsequently held at fair value. An annual impairment review is carried out with any aggregate surplus or deficit arising being recognised in the profit and loss account.

Trade debtors and other debtors are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment in trade debtors is established when there is evidence that the company will not be able to collect all amounts due.

Other debtors due after one year relate to loans made to a third party. Interest is charged at 10% per annum through the income statement and added to the outstanding balance. The loan is stated at amortised cost and reviewed annually for the borrowers' ability to repay.

Trade creditors represent outstanding invoices due to suppliers for purchases made, trade creditors are paid within the terms given by the supplier.

Directors loans and intercompany loans (being repayable on demand), are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

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 balance sheet date.

Deferred tax

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

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

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

Research and development

Expenditure on research and development, which is made up of wages costs, is written off in the year in which it is incurred.

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.

Foreign currencies

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

2. ACCOUNTING POLICIES - continued

Fixed asset investments

All fixed asset investments are initially recognised at cost. An annual impairment review is carried out with any aggregate surplus or deficit arising from changes in fair value being recognised in the profit or loss.

The Big Screen Productions 17 LLP investment carrying value was reduced to £1 in 2018 to reflect the decreasing amount of the expected future receipts. The directors feel this is a prudent policy to show a value that is reasonable. There has been no change of outlook since then.

Current asset investments

All current asset investments are stated at fair value, which is market value. Any changes in value of investments is written to the profit and loss account in the year it is incurred. Income from current asset investments, including profit on sale of shares and dividends received, are recognised in Other Income in the period the transaction occurs.

3. EMPLOYEES AND DIRECTORS

	31.3.23	31.3.22
	£	£
Wages and salaries	836,175	743,821
Social security costs	74,714	66,044
Other pension costs	55,789	54,443
	<u>966,678</u>	<u>864,308</u>

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

	31.3.23	31.3.22
Directors	2	2
Administration	30	28
	<u>32</u>	<u>30</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 32 (2022 - 30).

The company operates a defined contribution pension scheme that all employees in that company are entitled to join. The cost for the year amounted to £15,789 (2022 - £14,443). Included in other creditors at the year end is £3,493 (2022 - £3,313) relating to pension contributions unpaid at the year end.

	31.3.23	31.3.22
	£	£
Directors' remuneration	19,200	19,200
Directors' pension contributions to money purchase schemes	<u>40,000</u>	<u>40,000</u>

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

Money purchase schemes	<u>1</u>	<u>1</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

4. **OPERATING PROFIT**

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

	31.3.23	31.3.22
	£	£
Depreciation - owned assets	168,360	132,520
Loss on disposal of fixed assets	54,937	-
Auditors' remuneration	9,000	9,000
Auditors' remuneration for non audit work	23,472	17,000
Taxation advisory services	3,000	3,000
Foreign exchange differences	(26,944)	(5,527)
Research and development	-	119,411
Government grants	-	(89,922)
	<u>-</u>	<u>-</u>

5. **EXCEPTIONAL ITEMS**

	31.3.23	31.3.22
	£	£
Exceptional item	<u>(658,375)</u>	<u>-</u>

Included in exceptional items is the company's future liability due to a court decision regarding settling a supplier dispute.

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.3.23	31.3.22
	£	£
Bank interest	4,669	1,133
Other interest payable	<u>138,881</u>	<u>117,251</u>
	<u>143,550</u>	<u>118,384</u>

7. **TAXATION**

Analysis of the tax (credit)/charge

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

	31.3.23	31.3.22
	£	£
Current tax:		
UK corporation tax	538,775	686,520
Under/(over) provision	<u>(973,430)</u>	<u>(81,774)</u>
Total current tax	<u>(434,655)</u>	<u>604,746</u>
Deferred tax	<u>(77,734)</u>	<u>(242,408)</u>
Tax on profit	<u>(512,389)</u>	<u>362,338</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

7. **TAXATION - continued**

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.23 £	31.3.22 £
Profit before tax	<u>1,452,199</u>	<u>4,536,023</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2022 - 19 %)	275,918	861,844
Effects of:		
Expenses not deductible for tax purposes	392,184	(95,953)
Income not taxable for tax purposes	(310,267)	(333,248)
Utilisation of tax losses	(197,480)	(26,556)
Adjustments to tax charge in respect of previous periods	(973,430)	(81,774)
Additional fixed asset profit	380,675	55,902
Deferred tax	(77,734)	-
Other interest receivable	(57)	(15,878)
Group relief	<u>(2,198)</u>	<u>(1,999)</u>
Total tax (credit)/charge	<u>(512,389)</u>	<u>362,338</u>

8. **INDIVIDUAL INCOME STATEMENT**

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

9. **DIVIDENDS**

	31.3.23 £	31.3.22 £
Interim	<u>175,960</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

10. TANGIBLE FIXED ASSETS

Group

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2022	549,443	292,523	162,344	48,323	1,052,633
Additions	379,765	6,863	40,223	-	426,851
Disposals	-	(10,747)	(31,900)	-	(42,647)
At 31 March 2023	<u>929,208</u>	<u>288,639</u>	<u>170,667</u>	<u>48,323</u>	<u>1,436,837</u>
DEPRECIATION					
At 1 April 2022	150,089	165,430	86,360	47,870	449,749
Charge for year	91,449	47,965	28,493	453	168,360
Eliminated on disposal	-	(5,374)	(29,662)	-	(35,036)
At 31 March 2023	<u>241,538</u>	<u>208,021</u>	<u>85,191</u>	<u>48,323</u>	<u>583,073</u>
NET BOOK VALUE					
At 31 March 2023	<u>687,670</u>	<u>80,618</u>	<u>85,476</u>	<u>-</u>	<u>853,764</u>
At 31 March 2022	<u>399,354</u>	<u>127,093</u>	<u>75,984</u>	<u>453</u>	<u>602,884</u>

11. FIXED ASSET INVESTMENTS

	Group		Company	
	31.3.23 £	31.3.22 £	31.3.23 £	31.3.22 £
Shares in group undertakings	-	-	37,524	37,524
Other investments not loans	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
	<u><u>1</u></u>	<u><u>1</u></u>	<u><u>37,524</u></u>	<u><u>37,524</u></u>

Additional information is as follows:

Group

Investments (neither listed nor unlisted) were as follows:

	31.3.23 £	31.3.22 £
Film partnership investment	646,388	646,388
Reduction in carrying value	<u>(646,387)</u>	<u>(646,387)</u>
	<u><u>1</u></u>	<u><u>1</u></u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

11. **FIXED ASSET INVESTMENTS - continued**

Company

	Shares in group undertakings £
COST	
At 1 April 2022 and 31 March 2023	<u>37,524</u>
NET BOOK VALUE	
At 31 March 2023	<u>37,524</u>
At 31 March 2022	<u>37,524</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

All subsidiaries of Hammonds of Knutsford Holdings Limited are included in these consolidated financial statements and are as follows:

Name of undertaking	Country of Incorporation	Description of shares held	Holding
Hammonds of Knutsford Plc	England and Wales	Ordinary £1 Shares	100%

Hammonds of Knutsford Plc is a wholesaler of beers, wines and spirits.

The registered office address is Warford Grange Farm, Pedley House Lane, Great Warford, Knutsford, Cheshire WA16 7SP.

12. **STOCKS**

	Group	
	31.3.23	31.3.22
	£	£
Stocks	<u>5,850,004</u>	<u>4,001,492</u>

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

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Trade debtors	3,351,829	4,045,058	-	-
Amounts owed by group undertakings	3	-	1,651,687	9,121,776
Other debtors	2,867,439	2,801,797	-	-
Tax	842,667	842,667	-	-
Prepayments and accrued income	<u>70,717</u>	<u>464,429</u>	<u>-</u>	<u>-</u>
	<u>7,132,655</u>	<u>8,153,951</u>	<u>1,651,687</u>	<u>9,121,776</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Included in debtors is a tax payment on account of £842,667 which will be offset against the deferred tax liability of the same amount upon settlement.

14. CURRENT ASSET INVESTMENTS

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Listed investments	18,492,895	16,844,760	8,870,343	1,934,801

Market value of listed investments at 31 March 2023 held by the group - £18,492,895 (2022 - £16,844,761). and by the company - £ (8,870,343) (2022 - £ (1,934,801)).

Capital Commitment

Hammonds of Knutsford Plc, a subsidiary, has a binding capital commitment with Aberdeen Private Equity for \$3,000,000 to fund various investments. At the year end £813,005 had been drawn down.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.23	31.3.22	31.3.23	31.3.22
	£	£	£	£
Bank loans and overdrafts (see note 16)	111,280	-	-	-
Trade creditors	2,073,734	2,698,823	-	-
Amounts owed to group undertakings	-	1	-	-
Tax	292,668	752,729	-	-
VAT	469,413	646,261	-	-
Other creditors	5,532,919	5,569,668	-	-
Directors' current accounts	175,960	-	175,960	-
Directors' loan accounts	345,594	1,361,454	-	-
Accruals and deferred income	516	-	-	-
Accrued expenses	2,296,644	271,586	-	-
	11,298,728	11,300,522	175,960	-

16. LOANS

An analysis of the maturity of loans is given below:

	Group	
	31.3.23	31.3.22
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	111,280	-

17. PROVISIONS FOR LIABILITIES

	Group	
	31.3.23	31.3.22
	£	£
Deferred tax	713,579	791,313

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

17. PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1 April 2022	791,313
Provided during year	(77,734)
Balance at 31 March 2023	<u>713,579</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	31.3.23 £	31.3.22 £
37,524	Ordinary		<u>37,524</u>	<u>37,524</u>

All ordinary shares have full rights regarding voting, payment of dividends and distributions.

19. RESERVES

Group

	Retained earnings £	Merger reserve £	Totals £
At 1 April 2022	20,887,620	12,476	20,900,096
Profit for the year	1,964,588		1,964,588
Dividends	(175,960)		(175,960)
At 31 March 2023	<u>22,676,248</u>	<u>12,476</u>	<u>22,688,724</u>

Company

	Retained earnings £
At 1 April 2022	11,067,301
Deficit for the year	(217,013)
Dividends	(175,960)
At 31 March 2023	<u>10,674,328</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

20. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

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

	31.3.23 £	31.3.22 £
J Hammond		
Balance outstanding at start of year	(1,361,453)	(2,021,505)
Amounts advanced	1,063,342	793,583
Amounts repaid	(223,441)	(133,531)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(521,552)</u>	<u>(1,361,453)</u>

21. **RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Other related parties

	31.3.23 £	31.3.22 £
Interest paid	68,429	68,429
Amount due from related party	2,737,966	2,737,966
Amount due to related party	<u>(5,529,426)</u>	<u>(5,529,426)</u>

All loans are unsecured and repayable on demand.

J A Hammond Will Trust, of which J Hammond is a trustee, provide offices and a warehouse to the company free of charge.

22. **ULTIMATE CONTROLLING PARTY**

At the balance sheet date Mr J Hammond and Mrs S L Hammond were the controlling parties owning 50% each of the issued share capital.

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.