

CH

REGISTERED NUMBER: 02683286 (England and Wales)

REGISTRAR'S COPY

OMEGA SIGNS LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

Thomas Coombs Limited
Statutory Auditor
Chartered Accountants
3365 The Pentagon
Century Way
Thorpe Park
Leeds
West Yorkshire
LS15 8ZB

THURSDAY



ACZVBBAJ

A04

28/03/2024

#158

COMPANIES HOUSE

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3 to 4
Report of the Independent Auditors	5 to 8
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Cash Flow Statement	12
Notes to the Cash Flow Statement	13
Notes to the Financial Statements	14 to 22

OMEGA SIGNS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2023**

DIRECTORS:	Mrs. M A Chapman A P Stirling D J Chapman M R Timmermans B Dennehy C Norfolk L Whale
SECRETARY:	A P Stirling
REGISTERED OFFICE:	Newmarket Approach Leeds LS9 0RJ
REGISTERED NUMBER:	02683286 (England and Wales)
AUDITORS:	Thomas Coombs Limited Statutory Auditor Chartered Accountants 3365 The Pentagon Century Way Thorpe Park Leeds West Yorkshire LS15 8ZB
BANKERS:	HSBC Bank Plc 7 Prospect Crescent Harrogate North Yorkshire HG1 1RN

**STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2023**

The Directors are pleased to report a solid set of financial results for our year ending 31st December 2023.

The year saw the stabilisation of the worldwide issues on supply of raw materials experienced in 2022 and this resulted in our customers being able to return to the normal programmes of activity. This combined with a clear sales focus on growing sectors within the industry resulted in an increase in sales of circa 54% compared to 2022. Despite further increases in the cost of materials, energy and labour, our proven tight control of overheads combined with robust buying policies increased our GP to 34.9% (2022: 33.4%). The resulting profit further increased the strength of our balance sheet.

The results are an absolute testament to the strong management team who have performed exceptionally well, demonstrating control on the business and an unparalleled understanding of the markets it operates in.

Although the economy remains challenging, we continue to invest in our people and the business to remain highly efficient and offer good value to our customers whilst maintaining our industry leading levels of quality and service.

We have experienced a very strong start to 2024 with many long-term contracts in place and the level of new business sales is also increasing. The outlook for the remainder of the year at the time of writing is very positive.

Once again, we must acknowledge the extraordinary efforts our employees have made this year. They have once again stepped up to the challenges set and have surpassed all expectations. Our sincere thanks and appreciation goes out to them all.

PRINCIPAL RISKS AND UNCERTAINTIES

Price risk

The company mainly uses short term matched contracts with suppliers and customers to manage its exposure to variation in market prices. There are a small number of long term contracts with customers where the majority of costs are incurred at an early stage, minimizing the inherent risk in them.

Exchange rates

The company uses a combination of spot purchases and forward contracts to manage its exchange rate risk.

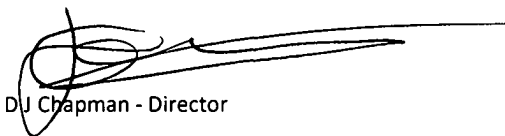
Credit risk

The company mainly trades with long standing customers. The nature of these relationships assists management with controlling credit risk in addition to normal credit management process.

Liquidity risk

Management control and monitor the company's cash flow on a regular basis including forecasting future cash values.

ON BEHALF OF THE BOARD:



DJ Chapman - Director

27th March 2024

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2023**

The directors present their report with the financial statements of the company for the year ended 31st December 2023.

PRINCIPAL ACTIVITY

Design, manufacture and installation of signage.

DIVIDENDS

The total distribution of dividends for the period ended 31st December 2023 was £131,216 (2022: £65,469)

RESEARCH AND DEVELOPMENT

Research and development costs of £Nil (2022: £Nil) were incurred during the year.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2023 to the date of this report.

Mrs. M A Chapman
A P Stirling
D J Chapman
M R Timmermans
B Dennehy
C Norfolk

Other changes in directors holding office are as follows:

P Gains - resigned 30th June 2023
L Whale - appointed 1st July 2023

FINANCIAL INSTRUMENTS

The company's financial statements comprise of borrowings such as secured loans, advance receipts in respect of the ordinary activities of the company, cash and liquid resources, finance leases and various other items such as trade debtors and trade creditors that also arise directly from its operations.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

STATEMENT 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 company'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 company's auditors are aware of that information.


OMEGA SIGNS LIMITED (REGISTERED NUMBER: 02683286)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2023**

AUDITORS

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

ON BEHALF OF THE BOARD:



D J Chapman - Director

27th March 2024

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OMEGA SIGNS LIMITED

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the 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 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 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
OMEGA SIGNS LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the entity and industries in which it operates, we identified the principal risks of non-compliance with laws and regulations related to cyber security and data protection. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, tax legislation and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls, and ensuring these controls operated as intended. We determined the principal risks were related to posting journal entries to manipulate profits, and management bias in accounting estimates, especially valuation of stock.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Identified and tested journal entries and identified any significant transactions that were unusual or outside the normal course of business.
- Investigated the rationale behind significant or unusual transactions.
- Challenged assumptions and judgements made by management in determining significant accounting estimates, in particular valuation of stock.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed audit procedures which included, but were not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation.
- Discussions with management of known or suspected instances of non-compliance with laws and regulations.
- Reviewing correspondence with HMRC, relevant regulators including The British Standards Institution and the company's legal advisors.

At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

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

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
OMEGA SIGNS 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.



Stuart Adam FCA (Senior Statutory Auditor)
for and on behalf of Thomas Coombs Limited
Statutory Auditor
Chartered Accountants
3365 The Pentagon
Century Way
Thorpe Park
Leeds
West Yorkshire
LS15 8ZB

27th March 2024

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2023**

	Notes	2023 £	2022 £
TURNOVER		13,184,848	8,513,407
Cost of sales		<u>8,587,542</u>	<u>5,667,673</u>
GROSS PROFIT		4,597,306	2,845,734
Administrative expenses		<u>3,773,694</u>	<u>3,384,537</u>
		823,612	(538,803)
Other operating income		<u>391</u>	<u>227</u>
OPERATING PROFIT/(LOSS)	4	824,003	(538,576)
Bad debts	5	<u>41,899</u>	-
		782,104	(538,576)
Gain/loss on revaluation of assets		<u>-</u>	<u>641,180</u>
		782,104	102,604
Interest payable and similar expenses	6	<u>81,547</u>	<u>36,797</u>
PROFIT BEFORE TAXATION		700,557	65,807
Tax on profit	7	<u>179,332</u>	<u>(103,981)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>521,225</u>	<u>169,788</u>
OTHER COMPREHENSIVE INCOME			
Purchase of own shares		-	(618,900)
Income tax relating to other comprehensive income		<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>-</u>	<u>(618,900)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>521,225</u>	<u>(449,112)</u>


The notes form part of these financial statements


OMEGA SIGNS LIMITED (REGISTERED NUMBER: 02683286)

**BALANCE SHEET
31ST DECEMBER 2023**

	Notes	2023		2022	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		970,400		1,042,265
Investments	10		<u>10,000</u>		<u>10,000</u>
			980,400		1,052,265
CURRENT ASSETS					
Stocks	11	1,872,573		1,141,624	
Debtors	12	5,332,386		2,673,683	
Cash at bank		<u>1,559</u>		<u>208,511</u>	
		7,206,518		4,023,818	
CREDITORS					
Amounts falling due within one year	13	<u>5,112,672</u>		<u>2,391,347</u>	
NET CURRENT ASSETS			<u>2,093,846</u>		<u>1,632,471</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,074,246		2,684,736
CREDITORS					
Amounts falling due after more than one year	14		(395,358)		(497,768)
PROVISIONS FOR LIABILITIES	18		<u>(101,911)</u>		-
NET ASSETS			<u>2,576,977</u>		<u>2,186,968</u>
CAPITAL AND RESERVES					
Called up share capital	19		24,300		24,300
Revaluation reserve	20		592,885		641,180
Capital redemption reserve	20		6,100		6,100
Retained earnings	20		<u>1,953,692</u>		<u>1,515,388</u>
SHAREHOLDERS' FUNDS			<u>2,576,977</u>		<u>2,186,968</u>

The financial statements were approved by the Board of Directors and authorised for issue on 27th March 2024 and were signed on its behalf by:


A P Stirling - Director


D J Chapman - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2023**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1st January 2022	30,400	2,677,249	-	-	2,707,649
Changes in equity					
Issue of share capital	(6,100)	-	-	-	(6,100)
Dividends	-	(65,469)	-	-	(65,469)
Total comprehensive income	-	(1,096,392)	641,180	6,100	(449,112)
Balance at 31st December 2022	<u>24,300</u>	<u>1,515,388</u>	<u>641,180</u>	<u>6,100</u>	<u>2,186,968</u>
Changes in equity					
Dividends	-	(131,216)	-	-	(131,216)
Total comprehensive income	-	569,520	(48,295)	-	521,225
Balance at 31st December 2023	<u>24,300</u>	<u>1,953,692</u>	<u>592,885</u>	<u>6,100</u>	<u>2,576,977</u>

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	252,432	424,249
Interest paid		(73,641)	(33,422)
Interest element of hire purchase payments paid		(7,906)	(3,375)
Taxation refund		-	124,536
Net cash from operating activities		<u>170,885</u>	<u>511,988</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(122,764)	(91,215)
Net cash from investing activities		<u>(122,764)</u>	<u>(91,215)</u>
Cash flows from financing activities			
New loans in year		-	562,500
Loan repayments in year		(93,750)	(78,125)
HP repayments in the year		(73,491)	(47,146)
Share buyback		-	(625,000)
Equity dividends paid		(131,216)	(65,469)
Net cash from financing activities		<u>(298,457)</u>	<u>(253,240)</u>
(Decrease)/increase in cash and cash equivalents		(250,336)	167,533
Cash and cash equivalents at beginning of year	2	208,511	40,978
Cash and cash equivalents at end of year	2	<u>(41,825)</u>	<u>208,511</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2023**

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

	2023	2022
	£	£
Profit before taxation	700,557	65,807
Depreciation charges	194,629	119,397
Loss on disposal of fixed assets	-	1,639
Gain on revaluation of fixed assets	-	(641,180)
Finance costs	<u>81,547</u>	<u>36,797</u>
	976,733	(417,540)
Increase in stocks	(730,949)	(319,906)
(Increase)/decrease in trade and other debtors	(2,700,743)	1,821,822
Increase/(decrease) in trade and other creditors	<u>2,707,391</u>	<u>(660,127)</u>
Cash generated from operations	<u>252,432</u>	<u>424,249</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 31st December 2023

	31/12/23	1/1/23
	£	£
Cash and cash equivalents	1,559	208,511
Bank overdrafts	<u>(43,384)</u>	-
	<u>(41,825)</u>	<u>208,511</u>

Year ended 31st December 2022

	31/12/22	1/1/22
	£	£
Cash and cash equivalents	<u>208,511</u>	<u>40,978</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/1/23	Cash flow	At 31/12/23
	£	£	£
Net cash			
Cash at bank	208,511	(206,952)	1,559
Bank overdrafts	-	<u>(43,384)</u>	<u>(43,384)</u>
	<u>208,511</u>	<u>(250,336)</u>	<u>(41,825)</u>
Debt			
Finance leases	(169,870)	(7,504)	(177,374)
Debts falling due within 1 year	(93,786)	36	(93,750)
Debts falling due after 1 year	<u>(390,589)</u>	<u>93,714</u>	<u>(296,875)</u>
	<u>(654,245)</u>	<u>86,246</u>	<u>(567,999)</u>
Total	<u>(445,734)</u>	<u>(164,090)</u>	<u>(609,824)</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023**

1. STATUTORY INFORMATION

Omega Signs 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 Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The financial statements have been prepared on a going concern basis. The directors have considered how the company will meet the challenge presented by the current economic climate and have carried out a detailed review of the company's resources including the adequacy of working capital for the next twelve months. The directors are satisfied that the company has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements.

Turnover

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

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided to write off the cost less the estimated residual of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Short leasehold	- 5% on cost
Plant and machinery, fixtures and fittings, computer equipment, motor vehicles	25%-33% on cost

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

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

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2023

2. ACCOUNTING POLICIES - continued

Deferred tax

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

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

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

Foreign currencies

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

Pension costs and other post-retirement benefits

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

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

3. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	3,579,153	3,051,115
Other pension costs	<u>186,686</u>	<u>172,861</u>
	<u><u>3,765,839</u></u>	<u><u>3,223,976</u></u>

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

	2023	2022
Management	7	6
Administration	<u>80</u>	<u>71</u>
	<u><u>87</u></u>	<u><u>77</u></u>

	2023	2022
	£	£
Directors' remuneration	<u><u>552,204</u></u>	<u><u>516,364</u></u>

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

Money purchase schemes	<u><u>7</u></u>	<u><u>6</u></u>
------------------------	-----------------	-----------------

Information regarding the highest paid director is as follows:

	2023	2022
	£	£
Emoluments etc	<u><u>117,794</u></u>	<u><u>107,263</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2023

4. OPERATING PROFIT

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

	2023	2022
	£	£
Other operating leases	130,000	130,000
Depreciation - owned assets	128,972	69,569
Depreciation - assets on hire purchase contracts	65,657	49,828
Loss on disposal of fixed assets	-	1,639
Auditors' remuneration	12,900	12,900
Foreign exchange differences	(391)	(227)

5. EXCEPTIONAL ITEMS

	2023	2022
	£	£
Bad debts	(41,899)	-

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Bank interest	73,641	33,422
Hire purchase	7,906	3,375
	<u>81,547</u>	<u>36,797</u>

7. TAXATION**Analysis of the tax charge/(credit)**

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

	2023	2022
	£	£
Current tax:		
UK corporation tax	32,005	-
Prior year tax over provision	-	5,714
Total current tax	32,005	5,714
Deferred tax	<u>147,327</u>	<u>(109,695)</u>
Tax on profit	<u>179,332</u>	<u>(103,981)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2023

7. TAXATION - continued

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

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

	2023 £	2022 £
Profit before tax	<u>700,557</u>	<u>65,807</u>
Profit multiplied by the standard rate of corporation tax in the UK of 22.656% (2022 - 19%)	158,718	12,503
Effects of:		
Expenses not deductible for tax purposes	6,920	6,984
Adjustments to tax charge in respect of previous periods	-	5,714
year tax debtor		
Effect of changes in tax rate differences	13,813	(14,971)
Super deduction claimed	(119)	(8,196)
Depreciation of non qualifying assets	-	385
Revaluation of tangible assets	-	<u>(106,400)</u>
Total tax charge/(credit)	<u>179,332</u>	<u>(103,981)</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31st December 2023.

	Gross £	2022 Tax £	Net £
Purchase of own shares	<u>(618,900)</u>	<u>-</u>	<u>(618,900)</u>

8. DIVIDENDS

	2023 £	2022 £
Ordinary shares of £1 each		
Interim	<u>131,216</u>	<u>65,469</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2023

9. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1st January 2023	581,425	627,074	428,133	40,295	1,676,927
Additions	93,885	16,910	11,969	-	122,764
Disposals	-	-	(1,385)	-	(1,385)
At 31st December 2023	<u>675,310</u>	<u>643,984</u>	<u>438,717</u>	<u>40,295</u>	<u>1,798,306</u>
DEPRECIATION					
At 1st January 2023	2,024	267,889	355,433	9,316	634,662
Charge for year	38,914	107,010	38,631	10,074	194,629
Eliminated on disposal	-	-	(1,385)	-	(1,385)
At 31st December 2023	<u>40,938</u>	<u>374,899</u>	<u>392,679</u>	<u>19,390</u>	<u>827,906</u>
NET BOOK VALUE					
At 31st December 2023	<u>634,372</u>	<u>269,085</u>	<u>46,038</u>	<u>20,905</u>	<u>970,400</u>
At 31st December 2022	<u>579,401</u>	<u>359,185</u>	<u>72,700</u>	<u>30,979</u>	<u>1,042,265</u>

The net book value of assets under Hire purchase is £219,806 (2022: £195,468).

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1st January 2023 and 31st December 2023	<u>10,000</u>
NET BOOK VALUE	
At 31st December 2023	<u>10,000</u>
At 31st December 2022	<u>10,000</u>

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

Mydaton Limited

Registered office: Newmarket Approach, Leeds, LS9 0RJ

Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2023

11. STOCKS		
	2023	2022
	£	£
Raw materials	785,085	473,425
Work-in-progress	487,587	228,895
Finished goods	<u>599,901</u>	<u>439,304</u>
	<u>1,872,573</u>	<u>1,141,624</u>
12. DEBTORS		
	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	5,130,695	2,410,310
Amounts recoverable on contract	32,074	41,682
Other debtors	-	10,000
Tax	10,850	7,475
Deferred tax asset	-	45,416
Prepayments and accrued income	<u>125,767</u>	<u>135,800</u>
	<u>5,299,386</u>	<u>2,650,683</u>
Amounts falling due after more than one year:		
Directors' loan accounts	<u>33,000</u>	<u>23,000</u>
Aggregate amounts	<u>5,332,386</u>	<u>2,673,683</u>
13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2023	2022
	£	£
Bank loans and overdrafts (see note 15)	137,134	93,786
Hire purchase contracts (see note 16)	78,891	62,691
Trade creditors	3,092,676	1,380,274
Corporation Tax	35,380	-
Social security and other taxes	82,824	64,306
VAT	449,041	369,536
Other creditors	10,000	10,000
Invoice discounting advances	439,459	-
Accruals and deferred income	<u>787,267</u>	<u>410,754</u>
	<u>5,112,672</u>	<u>2,391,347</u>
14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	2023	2022
	£	£
Bank loans (see note 15)	296,875	390,589
Hire purchase contracts (see note 16)	<u>98,483</u>	<u>107,179</u>
	<u>395,358</u>	<u>497,768</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2023

15. LOANS

An analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year or on demand:		
Bank overdrafts	43,384	-
Bank loans	<u>93,750</u>	<u>93,786</u>
	<u>137,134</u>	<u>93,786</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>93,750</u>	<u>93,786</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>203,125</u>	<u>296,803</u>

16. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	Hire purchase contracts	
	2023 £	2022 £
Net obligations repayable:		
Within one year	78,891	62,691
Between one and five years	<u>98,483</u>	<u>107,179</u>
	<u>177,374</u>	<u>169,870</u>

Non-cancellable operating leases

	Land and Buildings 2023 £	Other 2023 £	Land and Buildings 2022 £	Other 2022 £
Within one year	130,000	25,279	130,000	31,386
Between one and five years	520,000	35,276	520,000	1,773
In more than five years	<u>1,690,000</u>	-	<u>1,820,000</u>	-
	<u>2,340,000</u>	<u>60,555</u>	<u>2,470,000</u>	<u>33,159</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2023

17. SECURED DEBTS

The following secured debts are included within creditors:

	2023	2022
	£	£
Bank loans	390,625	484,375
Hire purchase contracts	177,374	169,870
Invoice discounting advances	439,549	-
The overdraft facility	43,384	-
	<u>1,050,932</u>	<u>654,245</u>

Security on the hire purchase contracts is held on the assets they relate to.

Security on the bank loan is in the form of a fixed and floating charge over the assets of the company.

Invoice discounting advances are secured over the assets of the company.

Overdraft facility is secured over the assets of the company.

18. PROVISIONS FOR LIABILITIES

	2023	
	£	
Deferred tax	<u>101,911</u>	
		Deferred tax
		£
Balance at 1st January 2023		(45,416)
Provided during year		<u>147,327</u>
Balance at 31st December 2023		<u>101,911</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023	2022
			£	£
24,000	Ordinary	£1	24,000	24,000
300	Ordinary A - E	£1	<u>300</u>	<u>300</u>
			<u>24,300</u>	<u>24,300</u>

The A - E Ordinary shares have no voting rights.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2023

20. RESERVES

	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1st January 2023	1,515,388	641,180	6,100	2,162,668
Profit for the year	521,225			521,225
Dividends	(131,216)			(131,216)
Revaluation transfer	<u>48,295</u>	<u>(48,295)</u>	-	-
At 31st December 2023	<u>1,953,692</u>	<u>592,885</u>	<u>6,100</u>	<u>2,552,677</u>

21. CONTINGENT LIABILITIES

On 2nd November 1992 the company entered into an agreement with HSBC Bank plc. HSBC Bank plc holds a fixed and floating charge over the assets of the company.

On 24th October 2003 the company entered into an agreement with HSBC Bank plc. HSBC Bank plc holds a debenture including a fixed charge over the leasehold property.

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31st December 2023 and 31st December 2022:

	2023 £	2022 £
D J Chapman		
Balance outstanding at start of year	15,000	15,000
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>15,000</u>	<u>15,000</u>
M R Timmermans		
Balance outstanding at start of year	8,000	8,000
Amounts advanced	10,000	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>18,000</u>	<u>8,000</u>

23. RELATED PARTY DISCLOSURES

Luxford Trust and M N Chapman 2006/1-4 Trusts

Trusts in which some of the directors are trustees.

During the year the company paid rent under a 20 year lease to these trusts of £130,000 (2022: £130,000).

24. CONTROLLING PARTY

In the opinion of the directors, the company is controlled by members of the Timmermans and Chapman families and related family trusts.