

151 Products Limited

Registered number: 02149608

Annual report and financial statements

For the year ended 31 December 2022

151 PRODUCTS LIMITED

COMPANY INFORMATION

Directors	R L Shonn S M Shonn A L Lewis J C Gayle
Company secretary	S M Shonn
Registered number	02149608
Registered office	The Old School House 39 Bengal Street Manchester M4 6AF
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor One St. Peter's Square Manchester M2 3DE

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Business review

The principal activity of the Company continues to be that of wholesaling branded domestic products.

The Company has continued to adjust to pre covid levels of trading and as such, the Company has seen a 1.6% reduction in sales & a 1.5% reduction in gross margin.

The business maintains a strong order book and high customer demand so does not expect to see more decline in future years.

The directors continue to monitor the distribution and administration costs to ensure the Company remains profitable.

The Company retains a strong balance sheet with £14.7m in reserves at the year end. The Company will continue to see future growth and sustained profitability levels in future years.

Principal risks and uncertainties

The business is impacted by the performance of the retail sector but, where risks can be identified, they have been addressed and actions taken where possible to control them.

Fluctuations in currency continue to affect the Company's trading and any devaluation of Sterling poses a challenge to the business. The business reduces this risk by entering into forward contract currency deals.

Whilst risk and uncertainty in the market is still present, the directors feel that the company is well positioned to build on this year's results and will continue to trade well in future years.

Future Developments

The Company retains a combination of funding lines which are regularly reviewed to ensure there is sufficient headroom available to meet all working capital requirements.

The directors consider the Group to be well positioned to continue the current level of performance into the future.

Directors' statement of compliance with duty to promote the success of the Company

Section 172(1) Statement

The Companies (Miscellaneous Reporting) Regulations 2018, requires Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006, when performing their duty to promote the success of the Company under S172. This S172 statement explains how, during the financial year, group Directors:

- have engaged with employees, suppliers, customers & others
- have maintained the company's reputation for good business conduct
- have acted fairly for all shareholders whilst having regard to other stakeholders

S172(1) (A) – The likely consequences of any decision in the long term

The Directors understand the business and environment in which we operate, including the challenges faced by the UK & European retail sector. The strategy set by the board is intended to strengthen our position as a wholesaler of high-quality domestic household products at competitive prices.

To achieve our strategic ambitions, the board have continued to develop relationships with suppliers and customers to communicate our strategy, ensuring our goals are understood and achievable.

The Directors recognise how our goals are viewed by our stakeholders and have taken decisions they believe best support strategic objectives.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

S172(1) (B) – The interests of the Company’s employees

The Directors recognise that its employees are core to the business and play a huge part in the delivery of our strategic goals. The success of our business depends on attracting and retaining employees and keeping them motivated. The Directors understand that we must be a responsible employer from pay and benefits to health and safety in the workplace.

The directors consider the implications of decisions on employees and the wider workforce where relevant and feasible.

S172(1) (C) – The need to foster the Company’s business relationships with suppliers, customers and others

Delivering our strategy requires mutually beneficial relationships with suppliers & customers. The board continuously reviews and approves the approach to suppliers and assesses customer related priorities and with whom we do business with. The board communicates with the business on these matters by way of business updates.

S172(1) (D) – The impact of the Company’s operations on the community and the environment

The Directors are aware of the growing importance of environmental sustainability & preservation. The board understand that we must act responsibly in this regard in our day to day business activities. The board will discuss any environmental issues with their senior management team as and when required.

S172(1) E – The desirability of the Company maintaining a reputation for high standards of business conduct

This aspect has always been inherent within the values & the strategic ambitions of the company. The Directors periodically review and approve the company frameworks such as employee handbook, Statements of Operating Procedures & Modern Slavery Statements. This is to ensure that high standards are maintained within the company and other business relationships. The board is informed of any key changes to relevant compliances and take these into consideration during the review process.

S172(1) F – The need to act fairly as between members of the Company

The Directors will make decisions in line with company strategy whilst taking into consideration the impact on stakeholders. In doing so they act fairly as between the members of the company.

This report was approved by the board on 21 July 2023 and signed on its behalf.

R L Shonn
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,706,916 (2021 - £2,888,480).

Dividends of £1,401,079 (2021: £3,505,457) were declared in the year.

Directors

The directors who served during the year were:

R L Shonn
S M Shonn
A L Lewis
J C Gayle

Matters covered in the Strategic Report

Certain information is not shown in the Directors' Report because it is shown in the Strategic Report on page 1 of the financial statements in accordance with the provisions of Section 414C(11) of the Companies Act 2006. The Strategic Report includes a business review, future prospects, principal risks and uncertainties and information on the Company's key performance indicators.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Streamlined Energy and Carbon Report (SECR)

The SECR report findings can be found in the Parent Company, Eurostation Holdings Limited.

Economic impact of global events

UK businesses are currently facing many uncertainties such as the consequences of Brexit, COVID-19, environmental sustainability and geopolitical events such as the Russian invasion of Ukraine. These uncertainties have contributed to an environment where there exists a range of issues and risks, including inflation, rising interest rates, labour shortages, disrupted supply chains and new ways of working.

The directors have carried out an assessment of the potential impact of these uncertainties on the business, including the impact of mitigation measures, and have concluded that these are non-adjusting events with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The directors have taken account of these potential impacts in their going concern assessment.

151 Products Limited continues to work with its partners to minimise any impacts of these events and maximise the realisation of any opportunities they may provide to the business.

Going concern

The current economic conditions, following Russia's invasion of Ukraine, continue to present risks for all businesses. In response to this, the directors have carefully considered these risks, including an assessment of future trading for a period of at least 12 months from the date of signing the financial statements, and the extent to which any risks might affect the preparation of the financial statements on a going concern basis. The forecasts show that the company will continue to trade within its available facilities. As such, the directors continue to adopt the going concern basis of accounting in preparation of the annual financial statements.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 21 July 2023 and signed on its behalf.

R L Shonn
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 151 PRODUCTS LIMITED

Opinion

We have audited the financial statements of 151 Products Limited (the 'Company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and 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 FRS 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 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 151 PRODUCTS LIMITED

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 151 PRODUCTS LIMITED

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as: tax legislation, pension legislation and the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 151 PRODUCTS LIMITED

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgments and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 auditor's report.

Use of the audit report

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

John Daly (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

One St. Peter's Square

Manchester
M2 3DE

24 July 2023

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	As restated 2021 £
Turnover	4	53,776,777	54,656,634
Cost of sales		(40,747,944)	(40,594,392)
Gross profit		<u>13,028,833</u>	<u>14,062,242</u>
Distribution costs		(3,638,863)	(3,304,245)
Administrative expenses		(7,686,379)	(7,653,822)
Other operating income	5	527,251	647,320
Operating profit	6	<u>2,230,842</u>	<u>3,751,495</u>
Interest receivable and similar income	10	1,789	35
Interest payable and similar expenses	11	(157,805)	(110,948)
Profit before tax		<u>2,074,826</u>	<u>3,640,582</u>
Tax on profit	12	(367,910)	(752,102)
Profit for the financial year		<u><u>1,706,916</u></u>	<u><u>2,888,480</u></u>

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 12 to 30 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	14	736,250	783,750
Tangible assets	15	2,670,640	2,895,762
Investments	16	200,080	81
		<u>3,606,970</u>	<u>3,679,593</u>
Current assets			
Stocks	17	5,501,136	6,686,309
Debtors: amounts falling due within one year	18	13,540,733	10,178,462
Cash at bank and in hand	19	1,044,874	3,645,377
		<u>20,086,743</u>	<u>20,510,148</u>
Creditors: amounts falling due within one year	20	(6,136,237)	(6,150,675)
Net current assets		<u>13,950,506</u>	<u>14,359,473</u>
Total assets less current liabilities		<u>17,557,476</u>	<u>18,039,066</u>
Creditors: amounts falling due after more than one year	21	(2,860,942)	(3,648,369)
Net assets		<u><u>14,696,534</u></u>	<u><u>14,390,697</u></u>
Capital and reserves			
Called up share capital	25	1,000	1,000
Profit and loss account	26	14,695,534	14,389,697
		<u><u>14,696,534</u></u>	<u><u>14,390,697</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 July 2023.

R L Shonn
Director

The notes on pages 12 to 30 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	1,000	15,006,674	15,007,674
Comprehensive income for the year			
Profit for the year	-	2,888,480	2,888,480
Total comprehensive income for the year	-	2,888,480	2,888,480
Contributions by and distributions to owners			
Dividends: Equity capital (Note 13)	-	(3,505,457)	(3,505,457)
Total transactions with owners	-	(3,505,457)	(3,505,457)
At 1 January 2022	1,000	14,389,697	14,390,697
Comprehensive income for the year			
Profit for the year	-	1,706,916	1,706,916
Total comprehensive income for the year	-	1,706,916	1,706,916
Contributions by and distributions to owners			
Dividends: Equity capital (Note 13)	-	(1,401,079)	(1,401,079)
Total transactions with owners	-	(1,401,079)	(1,401,079)
At 31 December 2022	<u>1,000</u>	<u>14,695,534</u>	<u>14,696,534</u>

The notes on pages 12 to 30 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

151 Products Limited ('the Company') is a private limited company incorporated in England and Wales. The address of its registered office and principal place of business is:

The Old School House, 39 Bengal Street, Manchester, M4 6AF.

The principal activities of the Company is that of wholesaling branded domestic products.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Eurostation Holdings Limited as at 31 December 2022 and these financial statements may be obtained from The Old School House, 39 Bengal Street, Manchester M4 6AF

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of a state other than the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.4 Going concern

The current economic conditions, following Russia's invasion of Ukraine, continue to present risks for all businesses. In response to this, the directors have carefully considered these risks, including an assessment of future trading for a period of at least 12 months from the date of signing the financial statements, and the extent to which any risks might affect the preparation of the financial statements on a going concern basis. The forecasts show that the company will continue to trade within its available facilities. As such, the directors continue to adopt the going concern basis of accounting in preparation of the annual financial statements.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Trademarks	-	20	years straight line
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%
Plant and machinery	-	20% / 33%
Fixtures and fittings	-	33%
Equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.15 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.17 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.19 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and 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 the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the Company's accounting policies, the directors are required to make judgments, estimates and assumptions in determining the carrying amount of assets and liabilities. The directors' judgments, estimates and assumptions are based on the best and most reliable evidence available at the time when decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgments, estimates and assumptions, the actual results and outcomes may differ.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The directors believe that the critical accounting policies where judgments or estimates are necessarily applied are stock provisions, bad debt provisions and the useful expected lives of property, plant and equipment, and trademarks.

4. Turnover

The whole of the turnover is attributable to one class of business.

Analysis of turnover by country of destination:

	2022	As restated 2021
	£	£
United Kingdom	46,708,601	48,455,269
Rest of Europe	4,239,369	2,986,653
Rest of the world	2,828,807	3,214,712
	<u>53,776,777</u>	<u>54,656,634</u>

Turnover has been restated to show the split amongst the 3 categories more appropriately.

5. Other operating income

	2022	As restated 2021
	£	£
Management fees	527,251	577,984
Government grants receivable	-	69,336
	<u>527,251</u>	<u>647,320</u>

Other operating income has been restated in the prior year to correctly reclassify management fees. As a result, Administrative expenses have increased by £577,984 and Other operating income has increased by £577,984. There has been no effect on profit for the financial year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Operating profit

The operating profit is stated after charging:

	2022	2021
	£	£
Exchange differences	(720,727)	(1,202,432)
Depreciation	274,567	267,533
Amortisation	47,500	47,500
Operating lease expenditure	212,734	216,406
Cost of defined contribution pension scheme	<u>100,829</u>	<u>114,872</u>

7. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor:

	2022	2021
	£	£
Fees payable to the Company's auditor for the audit of the Company's financial statements	16,250	14,750
Fees payable to the Company's auditor in respect of:		
Taxation compliance and other services	<u>12,300</u>	<u>10,850</u>

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2022	2021
	£	£
Wages and salaries	3,793,008	3,746,685
Social security costs	460,692	422,276
Cost of defined contribution pension scheme	100,829	114,872
	<u>4,354,529</u>	<u>4,283,833</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8. Employees (continued)

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Production staff	39	48
Administrative staff	66	65
	<u>105</u>	<u>113</u>

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	509,808	542,885
Company contributions to defined contribution pension schemes	39,250	17,961
	<u>549,058</u>	<u>560,846</u>

During the year retirement benefits were accruing to 4 directors (2021 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £210,756 (2021 - £207,544).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,021 (2021 - £7,319).

10. Interest receivable

	2022 £	2021 £
Other interest receivable	<u>1,789</u>	<u>35</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Interest payable and similar expenses

	2022	2021
	£	£
Bank interest payable	13,302	14,882
Other loan interest payable	144,503	84,983
Interest on overdue tax	-	11,083
	<u>157,805</u>	<u>110,948</u>

12. Taxation

	2022	2021
	£	£
Corporation tax		
Current tax on profits for the year	386,357	781,590
Adjustments in respect of previous periods	(37,146)	497
	<u>349,211</u>	<u>782,087</u>
	<u>349,211</u>	<u>782,087</u>
Deferred tax		
Origination and reversal of timing differences	11,895	(31,360)
Adjustments in respect of prior periods	3,048	(527)
Effect of tax rate change on opening balance	3,756	1,902
	<u>18,699</u>	<u>(29,985)</u>
	<u>367,910</u>	<u>752,102</u>
Taxation on profit on ordinary activities	<u>367,910</u>	<u>752,102</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022	2021
	£	£
Profit on ordinary activities before tax	<u>2,074,826</u>	<u>3,640,582</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	394,217	691,711
Effects of:		
Expenses not deductible for tax purposes	434	56,810
Fixed asset differences	45,102	9,330
Adjustments to tax charge in respect of prior periods	(37,146)	497
Adjustments to tax charge in respect of prior periods - deferred tax	3,048	(527)
Remeasurement of deferred tax for changes in tax rates	3,756	(5,624)
Other differences leading to a decrease in the tax charge	9	(95)
Group relief surrendered/(claimed)	(41,510)	-
Total tax charge for the year	<u>367,910</u>	<u>752,102</u>

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

13. Dividends

	2022	2021
	£	£
Dividends paid during the year	<u>1,401,079</u>	<u>3,505,457</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. Intangible assets

	Trademarks £
Cost	
At 1 January 2022	950,000
At 31 December 2022	<u>950,000</u>
Amortisation	
At 1 January 2022	166,250
Charge for the year	47,500
At 31 December 2022	<u>213,750</u>
Net book value	
At 31 December 2022	<u>736,250</u>
At 31 December 2021	<u>783,750</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Tangible fixed assets

	Freehold property	Plant and machinery	Fixtures and fittings	Equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2022	3,100,000	946,560	606,800	307,158	4,960,518
Additions	-	6,825	3,995	38,625	49,445
At 31 December 2022	<u>3,100,000</u>	<u>953,385</u>	<u>610,795</u>	<u>345,783</u>	<u>5,009,963</u>
Depreciation					
At 1 January 2022	479,280	786,335	573,466	225,675	2,064,756
Charge for the year	59,910	151,184	22,713	40,760	274,567
At 31 December 2022	<u>539,190</u>	<u>937,519</u>	<u>596,179</u>	<u>266,435</u>	<u>2,339,323</u>
Net book value					
At 31 December 2022	<u>2,560,810</u>	<u>15,866</u>	<u>14,616</u>	<u>79,348</u>	<u>2,670,640</u>
At 31 December 2021	<u>2,620,720</u>	<u>160,225</u>	<u>33,334</u>	<u>81,483</u>	<u>2,895,762</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022	2021
	£	£
Plant and machinery	<u>-</u>	<u>59,188</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

16. Fixed asset investments

	Investments in subsidiary companies £
Cost and net book value	
At 1 January 2022	81
Additions	199,999
	<hr/>
At 31 December 2022	<u>200,080</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Swirl Consumer Products Limited	Ordinary	100%
Star Wipes Ltd	Ordinary	100%

Both subsidiaries have their registered office at The Old School House, 39 Bengal Street, Manchester, M4 6AF.

During the year the Company purchased the remaining 20% of the share capital of Swirl Consumer Products Limited for £199,999.

17. Stocks

	2022 £	2021 £
Finished goods and goods for resale	<u>5,501,136</u>	<u>6,686,309</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Debtors

	2022	2021
	£	£
Trade debtors	9,432,109	6,523,038
Amounts owed by group undertakings	650,550	555,993
Amounts owed from related parties	1,157,041	929,019
Other debtors	483,018	235,291
Prepayments and accrued income	256,218	1,911,688
Corporation tax recoverable	363,643	-
Deferred taxation	4,734	23,433
Invoice finance	1,193,420	-
	<u>13,540,733</u>	<u>10,178,462</u>

Amounts owed from group undertakings are interest free and repayable on demand.

19. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	<u>1,044,874</u>	<u>3,645,377</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Bank loans	568,127	170,869
Invoice finance	-	348,379
Trade creditors	1,813,779	1,319,888
Amounts owed to group undertakings	582,940	292,017
Amounts owed to other related parties	-	198,240
Corporation tax	-	781,590
Other taxation and social security	825,707	692,585
Obligations under finance lease and hire purchase contracts	5,750	69,008
Other creditors	1,011,027	833,865
Accruals and deferred income	1,328,907	1,444,234
	<u>6,136,237</u>	<u>6,150,675</u>

The invoice finance balance is secured against certain trade debtor balances.

Amounts owed to group undertakings are interest free and repayable on demand.

21. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	2,740,942	3,642,619
Net obligations under finance leases and hire purchase contracts	-	5,750
Other creditors	120,000	-
	<u>2,860,942</u>	<u>3,648,369</u>

Secured Loans

The Company enters into a short term "import loan" agreements with the bank, whereby the funds borrowed are secured on the stock purchased.

Bank loans is a mortgage, repayable in equal instalments until October 2029, with interest charged at 2.09% above HSBC Bank Plc base rate. The mortgage is secured by way of a debenture comprising a fixed and floating charge over the freehold property. An amount of £367,279 (2021: £573,435) is due after more than 5 years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within one year	5,750	69,008
Between 1-5 years	-	5,750
	<u>5,750</u>	<u>74,758</u>

23. Deferred taxation

	2022 £	2021 £
At beginning of year	23,433	(6,552)
Charged to profit or loss	(18,699)	29,985
At end of year	<u>4,734</u>	<u>23,433</u>

The deferred tax asset is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(5,972)	9,693
Short term timing differences	10,706	13,740
	<u>4,734</u>	<u>23,433</u>

24. Employee benefits

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Employer pension contributions during the period totalled £100,829 (2021: £96,911). Contributions totalling £NIL (2021: £NIL) were payable to the fund at the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

25. Share capital

	2022	2021
	£	£
Authorised, allotted, called up and fully paid		
1,000 (2021 - 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

26. Reserves**Profit and loss account**

This reserve records retained earnings and accumulated losses.

27. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	2021
	£	£
Not later than 1 year	178,213	160,319
Later than 1 year and not later than 5 years	105,967	22,282
	<u>284,180</u>	<u>182,601</u>

28. Contingencies

The Company has given an unlimited cross company guarantee in favour of a related company Shonn Brothers (Manchester) Limited to HSBC Bank plc, for all overdrawn balances.

A composite company multilateral guarantee dated 3 December 2015 is also now held by HSBC Bank Plc.

Also the Company has given a guarantee in favour of HM Revenue and Customs for £130,000 (2021: £130,000).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

29. Related party transactions

The Company has taken advantage of the exemption permitted by Section 33 Related Party Disclosures, not to provide disclosures of transactions entered into with other wholly-owned members of the Group.

Purchases from Doff Portland Limited during the year amounted to £659,331 (2021: £836,126) and sales to Doff Portland Limited amounted to £1,670,970 (2021: £574,678). Doff Portland Limited owes the company £205,425 (2021: £732,477) at the balance sheet date, and this is included within other debtors due within one year. Doff Portland Limited is a related party by virtue of common directorship (R L Shonn).

Purchases from Propeller Investments LLP amounted to £92,995 (2021: £152,666). Propeller Investments LLP owes the company £531,731 (2021: £93,731) at the balance sheet date, and this is included within amounts due from group undertakings due within one year. Propeller Investments LLP is a related party by virtue of common directorship (R L Shonn and S M Shonn).

Purchases from Shonn Brothers (Manchester) Limited amount to £50,457 (2021: £21,209) and sales to Shonn Brothers (Manchester) Limited amounted to £1,314,214 (2021: £981,222). At the balance sheet date Shonn Brothers (Manchester) Limited owed the company £183,906 (2021: £137,345). This is included within other debtors due within one year. At the balance sheet date Shonn Brothers (Manchester) Limited were due £33,582 (2021: £23). This is included within other creditors due within one year. Shonn Brothers (Manchester) Limited is a related party by virtue of common directorship (all directors).

Purchases during the year from B7 Ventures Limited amounted to £203,467 (2020: £240,961) and sales to B7 Ventures Limited amounted to £Nil (2021: £91,500). At the balance sheet date B7 Ventures Limited is owed £19,097 (2021: £24,096). B7 Ventures Limited owed the company £nil (2021: Owed by £109,800) at the balance sheet date, and this is included within amounts due to group undertakings due within one year. B7 Ventures Limited is a related party by virtue of common directorship (R L Shonn).

At the balance sheet date D P Brandco Limited owes £100,420 (2021: £100,420). D P Brandco Limited is a related party by virtue of common directorship (R L Shonn and I P George).

At the balance sheet date Chorio Limited owes £713 (2021: £713). Chorio Limited is a related party by virtue of common directorship (D S Shonn).

At the balance sheet date Saxwood Limited owes £713 (2021: £713). Saxwood Limited is a related party by virtue of common directorship (R L Shonn).

At the balance sheet date an amount of £1,820 was owed by EHL 2021 Limited (2021: £198,840 owed to), a company under common control and owning shares in the ultimate parent company.

All loans to and from related parties are unsecured and repayable on demand.

Key management personnel are deemed to be the directors.

The Company has an unlimited cross company guarantee with a related party dated 21 November 2002.

30. Controlling party

The immediate parent company is Eurostation Limited, company number 04037712. The ultimate parent company is Eurostation Holdings Limited, company number 11574848. Both the immediate and ultimate parent companies are registered in England and Wales and copies of the financial statements are available from The Old School House, 39 Bengal Street, Manchester, M4 6AF.

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