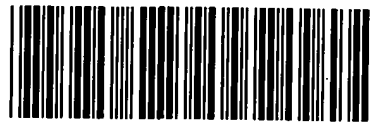


Company Registration No. SC055376 (Scotland)

INSTOCK LTD
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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INSTOCK LTD

COMPANY INFORMATION

Directors	G Hudson M Payne J Swinburne C Orr
Secretary	C Orr
Company number	SC055376
Registered office	Howe Moss Drive Unit 1 Kirkhill Industrial Estate Dyce ABERDEEN AB21 0GL
Auditor	Johnston Carmichael LLP 7-11 Melville Street Edinburgh EH3 7PE
Solicitors	Morton Fraser MacRoberts LLP 9 Haymarket Square EDINBURGH EH3 8RY

INSTOCK LTD

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INSTOCK LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The directors present the strategic report for the year ended 31 March 2025.

Fair review of the business

The group operates as wholesale suppliers of catering equipment, utensils and consumables in Scotland and England. The group was established in 1974 and since then has expanded steadily by organic growth and acquisition.

The group's results show an increase in turnover of 3% from £32.3m in 2024 to £33.2m in 2025. Pre-tax profits for the year have decreased by 50% to £270k (2024 - £537k). The directors are satisfied with the group's financial performance this year, demonstrating the group's resilience in what were challenging operating conditions. At the year end, the group's cash on hand has decreased from £442k to £316k. The group has access to sufficient operational funding to satisfy all current and future operational cash flow obligations. The net assets position has decreased from £3.6m to £3.4m. The trade and trading assets of Jazzpower Limited were hived up on 1 September 2023 to the parent company.

Principal risks and uncertainties

The principal risks and uncertainties facing the group continue to be managing supplier costs, maintaining adequate staffing levels, managing customer credit risk and managing liquidity risk.

Managing supplier costs

The group works closely with suppliers to ensure costs are managed.

Customer credit risk

The group's trading activities exposes it to customer credit risk due to the volume of trade and the industries our customers operate in e.g. hospitality and food and drink in particular. Increasing legal, political and economic challenges to our customers can impact on the group's ability to collect debts owed to us. The directors aim to mitigate this risk by maintaining good relationships with customers and to undertake appropriate credit checks where possible.

Liquidity risk

In order to maintain liquidity and to ensure sufficient funds are available for ongoing operations and future developments, the group monitors the timing of cash flows and aligns this with its strategic planning. The group's primary sources of finance are the operating cash flows it generates and its short term bank funding.

Development and performance

The group continues to seek opportunities to grow either organically or by acquisition. The group will continue to offer a wide breadth of products and exceptional service levels to our customers, both existing and new.

As part of our quality service to customers, we have maintained the internationally recognised accreditation ISO9001, ISO14001 and we are working towards qualification under BSI PAS2060.

Key performance indicators

The group's key performance indicators are gross margins, pre-tax profit, cash flow and net assets.

The directors monitor these key performance indicators to ensure they are working towards the group's primary strategic objective of returning value to the shareholders.

Gross profit percentage margins improved to 25% from 23.4% in the prior year. Cash flow is monitored regularly to ensure sufficient working capital is available for the group's day to day requirements. Cash of £0.01m was utilised by operating activities in the year. Overall, the group's net assets decreased from £3.6m to £3.4m.

On behalf of the board



G Hudson

Director

07-Nov-2025

INSTOCK LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The directors present their annual report and financial statements for the year ended 31 March 2025.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £350,000. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G Hudson
M Payne
J Swinburne
C Orr

Financial risk management objectives and policies

The group's activities expose it to a number of financial risks including credit and liquidity risks. The group does not use derivatives to manage financial risks. Details of the risks applicable to the group can be found in the Strategic Report.

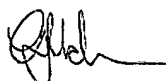
Auditor

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



.....
G Hudson
Director

Date: 07-Nov-2025

INSTOCK LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INSTOCK LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTOCK LTD

Opinion

We have audited the financial statements of Instock Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2025 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INSTOCK LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF INSTOCK LTD

Matters on which we are required to report by exception

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

Responsibilities of directors

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

Auditor 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

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.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

INSTOCK LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF INSTOCK LTD

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent company and the sector in which they operate, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- UK Generally Accepted Accounting Practices;
- Companies Act 2006;
- UK Corporation Tax legislation; and
- VAT legislation

We obtained an understanding of how the group and parent company are complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of submitted returns and board meeting minutes.

We assessed the susceptibility of the group and parent company's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk. We identified a heightened risk of fraud in relation to:

- Management override of controls;
- Revenue recognition.

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Reviewing the level of and reasoning behind the group's and parent company's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Agreeing a sample of sales transactions from sales orders to despatch note and sales invoice for completeness of revenue;
- Agreeing a sample of contract sales to terms and conditions and milestone completion to assess if recognition period and amount is appropriate;
- Completion of appropriate checklists and use of our experience to assess the Group's and parent company's compliance with the Companies Act 2006; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

INSTOCK LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF INSTOCK LTD

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael

Grant Roger (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP

Date: 08-Nov-2025

Statutory Auditor

7-11 Melville Street
Edinburgh
EH3 7PE

INSTOCK LTD

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
Turnover	3	33,176,928	32,282,109
Cost of sales		(24,866,059)	(24,697,747)
Gross profit		8,310,869	7,584,362
Administrative expenses		(14,001,641)	(12,650,029)
Other operating income		6,065,309	5,691,041
Operating profit	6	374,537	625,374
Interest receivable and similar income	7	-	27
Interest payable and similar expenses	8	(104,434)	(88,588)
Profit before taxation		270,103	536,813
Tax on profit	9	(99,148)	(130,487)
Profit for the financial year		170,955	406,326
Total comprehensive income for the year		170,955	406,326

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

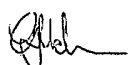
The Group Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

INSTOCK LTD

GROUP BALANCE SHEET AS AT 31 MARCH 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Intangible assets	11		37,786		123,191
Tangible assets	12		843,913		885,317
Investments	13		2,500		2,500
			<u>884,199</u>		<u>1,011,008</u>
Current assets					
Stocks	15	2,415,705		2,352,845	
Debtors	16	6,776,132		7,559,096	
Cash at bank and in hand		316,367		441,885	
		<u>9,508,204</u>		<u>10,353,826</u>	
Creditors: amounts falling due within one year	17	(6,500,106)		(6,981,440)	
Net current assets			<u>3,008,098</u>		<u>3,372,386</u>
Total assets less current liabilities			<u>3,892,297</u>		<u>4,383,394</u>
Creditors: amounts falling due after more than one year	18		(286,383)		(613,578)
Provisions for liabilities					
Provisions	21	98,000		67,500	
Deferred tax liability	22	118,311		133,668	
			<u>(216,311)</u>		<u>(201,168)</u>
Net assets			<u>3,389,603</u>		<u>3,568,648</u>
Capital and reserves					
Called up share capital	24		6,889		6,889
Capital redemption reserve	25		16,100		16,100
Profit and loss reserves	25		3,366,614		3,545,659
Total equity			<u>3,389,603</u>		<u>3,568,648</u>

The financial statements were approved by the board of directors and authorised for issue on 07-Nov-2025 and are signed on its behalf by:



.....
G Hudson
Director

INSTOCK LTD

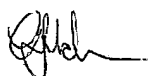
COMPANY BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Intangible assets	11		37,786		123,191
Tangible assets	12		843,913		885,317
Investments	13		192,491		192,491
			<u>1,074,190</u>		<u>1,200,999</u>
Current assets					
Stocks	15	2,415,705		2,352,845	
Debtors	16	6,776,132		7,559,096	
Cash at bank and in hand		316,367		441,885	
		<u>9,508,204</u>		<u>10,353,826</u>	
Creditors: amounts falling due within one year	17	<u>(6,691,070)</u>		<u>(7,172,404)</u>	
Net current assets			<u>2,817,134</u>		<u>3,181,422</u>
Total assets less current liabilities			<u>3,891,324</u>		<u>4,382,421</u>
Creditors: amounts falling due after more than one year	18		<u>(286,383)</u>		<u>(613,578)</u>
Provisions for liabilities					
Provisions	21	98,000		67,500	
Deferred tax liability	22	118,311		133,668	
		<u>(216,311)</u>		<u>(201,168)</u>	
Net assets			<u><u>3,388,630</u></u>		<u><u>3,567,675</u></u>
Capital and reserves					
Called up share capital	24		6,889		6,889
Capital redemption reserve	25		16,100		16,100
Profit and loss reserves	25		3,365,641		3,544,686
Total equity			<u><u>3,388,630</u></u>		<u><u>3,567,675</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £170,955 (2024 - £406,326 profit).

The financial statements were approved by the board of directors and authorised for issue on 07-Nov-2025 and are signed on its behalf by:



G Hudson
Director

Company Registration No. SC055376

INSTOCK LTD

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2023		6,889	16,100	3,289,333	3,312,322
Year ended 31 March 2024:					
Profit and total comprehensive income for the year		-	-	406,326	406,326
Dividends	10	-	-	(150,000)	(150,000)
Balance at 31 March 2024		6,889	16,100	3,545,659	3,568,648
Year ended 31 March 2025:					
Profit and total comprehensive income for the year		-	-	170,955	170,955
Dividends	10	-	-	(350,000)	(350,000)
Balance at 31 March 2025		6,889	16,100	3,366,614	3,389,603

INSTOCK LTD

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2023		6,889	16,100	3,288,360	3,311,349
Year ended 31 March 2024:					
Profit and total comprehensive income for the year		-	-	406,326	406,326
Dividends	10	-	-	(150,000)	(150,000)
Balance at 31 March 2024		6,889	16,100	3,544,686	3,567,675
Year ended 31 March 2025:					
Profit and total comprehensive income for the year		-	-	170,955	170,955
Dividends	10	-	-	(350,000)	(350,000)
Balance at 31 March 2025		6,889	16,100	3,365,641	3,388,630

INSTOCK LTD

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from operations	30	269,820		1,417,231	
Interest paid		(104,434)		(52,321)	
Income taxes paid		(154,712)		(3,662)	
Net cash inflow from operating activities		10,674		1,361,248	
Investing activities					
Purchase of intangible assets		-	(113,358)		
Purchase of tangible fixed assets	(340,056)		(460,934)		
Proceeds on disposal of tangible fixed assets	86,595		49,301		
Interest received	-		27		
Net cash used in investing activities			(253,461)		(524,964)
Financing activities					
Increase/(decrease) in invoice financing		716,592	(110,700)		
Repayment of bank loans		(181,818)	(181,818)		
Payment of finance leases obligations		(365,353)	(276,108)		
New finance lease agreements		297,848	343,064		
Dividends paid to equity shareholders		(350,000)	(150,000)		
Net cash generated from/(used in) financing activities			117,269		(375,562)
Net (decrease)/increase in cash and cash equivalents			(125,518)		460,722
Cash and cash equivalents at beginning of year			441,885		(18,837)
Cash and cash equivalents at end of year			316,367		441,885

INSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Company information

Instock Ltd ("the company") is a private company limited by shares, domiciled and incorporated in Scotland. The registered office and trading address is Howe Moss Drive, Kirkhill Industrial Estate, Dyce, Aberdeen, AB21 0GL. The company's registered number is SC055376. The principal activities of the company and its subsidiaries (collectively known as "the group") and the nature of the group's operations are set out in the Strategic Report on page 1.

The group consists of Instock Ltd and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

FRS 102 reduced disclosure framework - parent company

The parent company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements under FRS 102:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.
- Section 33 'Related Party Disclosures' – Transactions entered between two or more wholly-owned members of the same group.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

INSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Instock Ltd and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on delivery of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Other operating income

Other operating income represents licence fee income and recharges from a related party, recognised as services are provided.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Patents & licences	3 years straight line
Intellectual property	5 years straight line

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	5 years straight line
Fixtures and fittings	5 to 10 years straight line
Computers	4 years straight line
Motor vehicles	5 years straight line

INSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any) by comparing this to the asset's carrying value. The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of future cash flows before interest and tax, obtained as a result of the asset's continued use.

1.9 Stocks

Stocks and work in progress are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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

1.10 Cash and cash equivalents

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

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial instruments, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at cost, and subsequently measured at cost less impairment.

INSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

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

Derecognition of financial assets

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

INSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is provided, using the full liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. The deferred tax position is calculated using the rates enacted or substantially enacted at the balance sheet date. Tax losses are surrendered or claimed in the form of group relief with consideration being received or paid accordingly. The group relief amount is recorded separately within the debtors and creditors amounts in the balance sheet, as applicable, and is calculated by applying the tax rate enacted or substantively enacted at the balance sheet date to the loss amount.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

1.14 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

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

1.17 Leases

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

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

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

INSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

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

Carrying value of investments

At each reporting date the directors consider the value of investments and will recognise an impairment where they believe the value of the investment has decreased. (See note 13).

Key sources of estimation uncertainty

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

Stock

Stock is valued at the lower of cost and net realisable value. Net realisable includes, where necessary, provisions for slow moving and obsolete stock and irrecoverable work in progress. Calculation of these provisions requires judgement to be made, which include forecast consumer demand, competitive and economic environment and inventory loss trends. (See note 15).

Dilapidations provision

At each reporting date the group makes an assessment of the potential liability arising from leased properties. The provision is based on management's knowledge of the work required to return the property to the original condition.

3 Turnover and other revenue

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

	2025	2024
	£	£
Turnover analysed by class of business		
Sale of goods	33,176,928	32,282,109
	<u>33,176,928</u>	<u>32,282,109</u>
	2025	2024
	£	£
Turnover analysed by geographical market		
United Kingdom	33,176,928	32,282,109
	<u>33,176,928</u>	<u>32,282,109</u>

INSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

3 Turnover and other revenue (Continued)

	2025	2024
	£	£
Other significant revenue		
Interest income	-	27
	-	27

4 Auditor's remuneration

	2025	2024
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	35,965	35,910
	35,965	35,910
For other services		
Taxation compliance services	7,935	7,415
	7,935	7,415

5 Employees

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

	Group 2025	2024	Company 2025	2024
	Number	Number	Number	Number
Directors and office staff	22	22	22	20
Operations	63	62	63	58
	85	84	85	78

Their aggregate remuneration comprised:

	Group 2025	2024	Company 2025	2024
	£	£	£	£
Wages and salaries	2,412,279	2,202,458	2,412,279	2,082,995
Social security costs	219,172	188,132	219,172	181,551
Pension costs	45,629	37,258	45,629	36,026
	2,677,080	2,427,848	2,677,080	2,300,572

INSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

6 Operating profit

	2025	2024
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	286,308	258,036
Loss/(profit) on disposal of tangible fixed assets	8,557	(21,449)
Amortisation of intangible assets	85,405	85,405
Operating lease charges	252,310	267,128
	<u>286,308</u>	<u>267,128</u>

7 Interest receivable and similar income

	2025	2024
	£	£
Interest income		
Interest on bank deposits	-	27
	<u>-</u>	<u>27</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	-	27
	<u>-</u>	<u>27</u>

8 Interest payable and similar expenses

	2025	2024
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	48,104	52,321
Other finance costs:		
Interest on finance leases and hire purchase contracts	56,330	36,267
	<u>56,330</u>	<u>36,267</u>
Total finance costs	104,434	88,588
	<u>104,434</u>	<u>88,588</u>

9 Taxation

	2025	2024
	£	£
Current tax		
UK corporation tax on profits for the current period	114,505	154,711
Adjustments in respect of prior periods	-	(28,446)
	<u>114,505</u>	<u>126,265</u>
Total current tax	114,505	126,265
	<u>114,505</u>	<u>126,265</u>
Deferred tax		
Origination and reversal of timing differences	(15,357)	4,222
	<u>(15,357)</u>	<u>4,222</u>
Total tax charge	99,148	130,487
	<u>99,148</u>	<u>130,487</u>

INSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2025 £	2024 £
Profit before taxation	270,103	536,813
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2024: 25.00%)	67,526	134,203
Tax effect of expenses that are not deductible in determining taxable profit	31,203	30,400
Tax effect of income not taxable in determining taxable profit	-	(28,698)
Change in unrecognised deferred tax assets	-	26,680
Adjustments in respect of prior years	-	(28,446)
Permanent capital allowances in excess of depreciation	419	388
Other tax adjustments	-	(4,040)
Taxation charge	99,148	130,487

Deferred tax has been calculated using the rate effective in the period it is expected to reverse.

10 Dividends

	2025 £	2024 £
Recognised as distributions to equity holders:		
Final paid	350,000	150,000

INSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

11 Intangible fixed assets

Group	Goodwill	Patents & licences	Total
	£	£	£
Cost			
At 1 April 2024 and 31 March 2025	608,206	256,215	864,421
Amortisation and impairment			
At 1 April 2024	608,206	133,024	741,230
Amortisation charged for the year	-	85,405	85,405
At 31 March 2025	608,206	218,429	826,635
Carrying amount			
At 31 March 2025	-	37,786	37,786
At 31 March 2024	-	123,191	123,191
Company	Goodwill	Patents & licences	Total
	£	£	£
Cost			
At 1 April 2024 and 31 March 2025	432,210	256,215	688,425
Amortisation and impairment			
At 1 April 2024	432,210	133,024	565,234
Amortisation charged for the year	-	85,405	85,405
At 31 March 2025	432,210	218,429	650,639
Carrying amount			
At 31 March 2025	-	37,786	37,786
At 31 March 2024	-	123,191	123,191

INSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

12 Tangible fixed assets

Group	Leasehold improvements	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2024	150,826	848,896	1,377,133	2,376,855
Additions	19,210	-	320,846	340,056
Disposals	(30,089)	-	(294,925)	(325,014)
At 31 March 2025	<u>139,947</u>	<u>848,896</u>	<u>1,403,054</u>	<u>2,391,897</u>
Depreciation and impairment				
At 1 April 2024	126,157	761,743	603,638	1,491,538
Depreciation charged in the year	8,922	25,166	252,220	286,308
Eliminated in respect of disposals	(30,089)	-	(199,773)	(229,862)
At 31 March 2025	<u>104,990</u>	<u>786,909</u>	<u>656,085</u>	<u>1,547,984</u>
Carrying amount				
At 31 March 2025	<u><u>34,957</u></u>	<u><u>61,987</u></u>	<u><u>746,969</u></u>	<u><u>843,913</u></u>
At 31 March 2024	<u><u>24,669</u></u>	<u><u>87,153</u></u>	<u><u>773,495</u></u>	<u><u>885,317</u></u>
Company				
	Leasehold improvements	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2024	120,737	848,896	1,335,123	2,304,756
Additions	19,210	-	320,846	340,056
Disposals	-	-	(252,915)	(252,915)
At 31 March 2025	<u>139,947</u>	<u>848,896</u>	<u>1,403,054</u>	<u>2,391,897</u>
Depreciation and impairment				
At 1 April 2024	96,068	761,743	561,628	1,419,439
Depreciation charged in the year	8,922	25,166	252,220	286,308
Eliminated in respect of disposals	-	-	(157,763)	(157,763)
At 31 March 2025	<u>104,990</u>	<u>786,909</u>	<u>656,085</u>	<u>1,547,984</u>
Carrying amount				
At 31 March 2025	<u><u>34,957</u></u>	<u><u>61,987</u></u>	<u><u>746,969</u></u>	<u><u>843,913</u></u>
At 31 March 2024	<u><u>24,669</u></u>	<u><u>87,153</u></u>	<u><u>773,495</u></u>	<u><u>885,317</u></u>

INSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

12 Tangible fixed assets (Continued)

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

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Motor vehicles	736,850	762,665	736,850	762,665
	<u>736,850</u>	<u>762,665</u>	<u>736,850</u>	<u>762,665</u>
Depreciation charge for the year in respect of leased assets	240,986	197,348	240,986	197,348
	<u>240,986</u>	<u>197,348</u>	<u>240,986</u>	<u>197,348</u>

13 Fixed asset investments

		Group		Company	
		2025	2024	2025	2024
	Notes	£	£	£	£
Investments in subsidiaries	14	-	-	189,991	189,991
Unlisted investments		2,500	2,500	2,500	2,500
		<u>2,500</u>	<u>2,500</u>	<u>192,491</u>	<u>192,491</u>

Details of companies in which the Company holds more than 20% of the share capital are included in note 14.

Movements in fixed asset investments

Group	Investments
	£
Cost or valuation	
At 1 April 2024 and 31 March 2025	2,500
	<u>2,500</u>
Carrying amount	
At 31 March 2025	2,500
	<u>2,500</u>
At 31 March 2024	2,500
	<u>2,500</u>

INSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

13 Fixed asset investments (Continued)

Movements in fixed asset investments

Company	Shares in subsidiaries £	Other investments £	Total £
Cost or valuation			
At 1 April 2024 and 31 March 2025	765,000	2,500	767,500
Impairment			
At 1 April 2024 and 31 March 2025	575,009	-	575,009
Carrying amount			
At 31 March 2025	189,991	2,500	192,491
At 31 March 2024	189,991	2,500	192,491

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2025 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Jazzpower Limited	Pacific House Business Centre, C/O Instock Ltd, Carlisle, England, CA3 0LJ	Dormant	Ordinary A & B	100.00

The trade and trading assets of Jazzpower Limited were hived up on 1 September 2023 to the parent company.

15 Stocks

	Group 2025 £	2024 £	Company 2025 £	2024 £
Finished goods and goods for resale	2,415,705	2,352,845	2,415,705	2,352,845

Stock held by the group and the company is presented net of a provision of £60,000 (2024: £60,000).

INSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

16 Debtors

	Group 2025	2024	Company 2025	2024
Amounts falling due within one year:	£	£	£	£
Trade debtors	5,449,272	6,040,197	5,449,272	6,040,197
Other debtors	1,246,904	1,431,368	1,246,904	1,431,368
Prepayments and accrued income	79,956	87,531	79,956	87,531
	<u>6,776,132</u>	<u>7,559,096</u>	<u>6,776,132</u>	<u>7,559,096</u>

Trade debtors of the group and the company are presented net of provisions for bad and doubtful debts of £nil (2024: £nil).

Included within other debtors are loans due from directors of £66,790 (2024: £32,341).

17 Creditors: amounts falling due within one year

	Notes	Group 2025	2024	Company 2025	2024
		£	£	£	£
Bank loans	19	708,253	181,818	708,253	181,818
Obligations under finance leases	20	316,528	238,656	316,528	238,656
Trade creditors		4,508,322	5,660,850	4,508,322	5,660,850
Amounts owed to group undertakings		-	-	189,991	189,991
Corporation tax payable		115,661	155,868	115,661	155,868
Other taxation and social security		408,518	371,230	408,518	371,230
Other creditors		271,475	180,320	271,475	180,320
Accruals and deferred income		171,349	192,698	172,322	193,671
		<u>6,500,106</u>	<u>6,981,440</u>	<u>6,691,070</u>	<u>7,172,404</u>

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

Included within other creditors are loans due to the directors of £271,325 (2024: £178,325).

18 Creditors: amounts falling due after more than one year

	Notes	Group 2025	2024	Company 2025	2024
		£	£	£	£
Bank loans	19	30,303	212,121	30,303	212,121
Obligations under finance leases	20	256,080	401,457	256,080	401,457
		<u>286,383</u>	<u>613,578</u>	<u>286,383</u>	<u>613,578</u>

INSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

19 Loans and overdrafts

	Group 2025 £	2024 £	Company 2025 £	2024 £
Bank loans	738,556	393,939	738,556	393,939
Payable within one year	708,253	181,818	708,253	181,818
Payable after one year	30,303	212,121	30,303	212,121

Invoice financing balances are secured by a bond and floating charge over the assets of the company.

20 Finance lease obligations

	Group 2025 £	2024 £	Company 2025 £	2024 £
Future minimum lease payments due under finance leases:				
Within one year	316,528	238,655	316,528	238,656
In two to five years	256,080	401,457	256,080	401,457
	572,608	640,113	572,608	640,113

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

21 Provisions for liabilities

	Group 2025 £	2024 £	Company 2025 £	2024 £
Provision for dilapidations	98,000	67,500	98,000	67,500

The provision for dilapidations consists of amounts expected to be paid upon maturity of the group's property leases and is classified as greater than one year.

Movements on provisions:

Group	Provision for dilapidations £
At 1 April 2024	67,500
Additional provisions in the year	30,500
At 31 March 2025	98,000

INSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

21	Provisions for liabilities	(Continued)
		Provision for dilapidations
	Company	£
	At 1 April 2024	67,500
	Additional provisions in the year	30,500
		<hr/>
	At 31 March 2025	98,000
		<hr/> <hr/>

22 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2025 £	Liabilities 2024 £
Group		
Accelerated capital allowances	120,183	135,489
Retirement benefit obligations	(1,872)	(1,821)
	<hr/>	<hr/>
	118,311	133,668
	<hr/> <hr/>	<hr/> <hr/>
	Liabilities 2025 £	Liabilities 2024 £
Company		
Accelerated capital allowances	120,183	135,489
Retirement benefit obligations	(1,872)	(1,821)
	<hr/>	<hr/>
	118,311	133,668
	<hr/> <hr/>	<hr/> <hr/>
	Group 2025 £	Company 2025 £
Movements in the year:		
Liability at 1 April 2024	133,668	133,668
Credit to profit or loss	(15,357)	(15,357)
	<hr/>	<hr/>
Liability at 31 March 2025	118,311	118,311
	<hr/> <hr/>	<hr/> <hr/>

INSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

23 Retirement benefit schemes

	2025	2024
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	45,629	37,258

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

24 Share capital

Group and company	2025	2024	2025	2024
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary Shares of £1 each	6,889	6,889	6,889	6,889

25 Reserves

Capital redemption reserve

The capital redemption reserve was created on the buy-back of shares by the Company and represents the nominal value of these shares.

Profit and loss reserves

The profit and loss account represents cumulative realisable profits and losses.

26 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Within one year	229,700	229,700	229,700	229,700
Between two and five years	431,492	731,750	431,492	731,750
In over five years	-	43,750	-	43,750
	661,192	1,005,200	661,192	1,005,200

27 Related party transactions

Remuneration of key management personnel

Key management personnel are remunerated through a connected LLP in which they are also designated members and therefore not remunerated through the group.

INSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

27 Related party transactions

(Continued)

Transactions with related parties

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

	Operating cost recharges		Licence fees	
	2025	2024	2025	2024
Group	£	£	£	£
Other related parties	5,795,206	5,135,806	270,103	555,235
	<u>5,795,206</u>	<u>5,135,806</u>	<u>270,103</u>	<u>555,235</u>
	Revenue Share		Sales	
	2025	2024	2025	2024
Group	£	£	£	£
Subsidiaries	-	-	-	26,706
Other related parties	8,310,869	7,403,137	15,120	-
	<u>8,310,869</u>	<u>7,403,137</u>	<u>15,120</u>	<u>-</u>

During the period the above transactions were made in relation to a Licence Agreement with an LLP whose designated members are also Directors of the Company.

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2025	2024
	Balance	Balance
Group	£	£
Other related parties	1,107,549	1,167,439
	<u>1,107,549</u>	<u>1,167,439</u>

28 Directors' transactions

At the year end a balance of £271,325 (2024: £178,325) was due to the directors and amount of £66,790 (2024: £32,341) due from the directors. The loans are interest free and repayable on demand. The dividends declared in note 10 are payable to the Directors.

29 Controlling party

The company is controlled by G Hudson, director, who owns 90% (2024: 90%) of the company's issued ordinary share capital.

INSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

30 Cash generated from group operations

	2025 £	2024 £
Profit for the year after tax	170,955	406,326
Adjustments for:		
Taxation charged	99,148	130,487
Finance costs	104,434	88,588
Investment income	-	(27)
Loss/(gain) on disposal of tangible fixed assets	8,557	(21,449)
Amortisation and impairment of intangible assets	85,405	85,405
Depreciation and impairment of tangible fixed assets	286,308	258,036
Increase in provisions	30,500	7,361
Movements in working capital:		
(Increase)/decrease in stocks	(62,860)	17,060
Decrease/(increase) in debtors	592,807	(611,950)
(Decrease)/increase in creditors	(1,045,434)	1,057,394
Cash generated from operations	<u>269,820</u>	<u>1,417,231</u>

31 Analysis of changes in net debt - group

	1 April 2024 £	Cash flows £	New finance leases £	31 March 2025 £
Cash at bank and in hand	441,885	(125,518)	-	316,367
Borrowings excluding overdrafts	(393,939)	(344,617)	-	(738,556)
Obligations under finance leases	(640,113)	365,353	(297,848)	(572,608)
	<u>(592,167)</u>	<u>(104,782)</u>	<u>(297,848)</u>	<u>(994,797)</u>

32 Parent company guarantee

Instock Ltd has taken advantage of the exemptions in section 479A to 479C of the Companies Act 2006 by providing a guarantee over the following company:

- Jazzpower Limited (Company Registration Number - 03778112)

The UK subsidiary stated above is exempt from an audit for the financial year ended 31 March 2025.