

REGISTERED NUMBER: 05234475 (England and Wales)

**Financial Statements**  
**for the Year Ended**  
**31 August 2022**  
**for**  
**Group Rhodes Limited**



**Group Rhodes Limited (Registered number: 05234475)**

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for the Year Ended 31 August 2022**

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**Group Rhodes Limited**

**Company Information  
for the Year Ended 31 August 2022**

**DIRECTORS:** C M Ridgway OBE DL  
R Chandrasekaran  
J D Gascoigne

**SECRETARY:** C M Ridgway OBE DL

**REGISTERED OFFICE:** Unit 21, Greens Industrial Park  
Calder Vale Road  
Wakefield  
West Yorkshire  
WF1 5PE

**REGISTERED NUMBER:** 05234475 (England and Wales)

**AUDITORS:** Kirk Newsholme  
Chartered Accountants and Statutory Auditors  
4315 Park Approach  
Thorpe Park  
Leeds  
West Yorkshire  
LS15 8GB

**Group Rhodes Limited (Registered number: 05234475)**

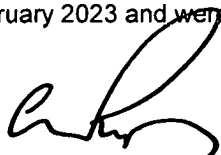
**Balance Sheet  
31 August 2022**

	Notes	2022 £	£	2021 £	£
<b>FIXED ASSETS</b>					
Intangible assets	4		17,875		21,175
Tangible assets	5		474,035		540,248
Investments	6		301,205		301,205
			<u>793,115</u>		<u>862,628</u>
<b>CURRENT ASSETS</b>					
Debtors	7	1,580,056		1,521,730	
Cash at bank and in hand		3,518		51,780	
		<u>1,583,574</u>		<u>1,573,510</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	8	1,537,383		1,284,131	
			<u>46,191</u>		<u>289,379</u>
<b>NET CURRENT ASSETS</b>					
			<u>839,306</u>		<u>1,152,007</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
<b>CREDITORS</b>					
Amounts falling due after more than one year	9		(593,736)		(926,332)
<b>PROVISIONS FOR LIABILITIES</b>	11		(58,139)		(58,139)
<b>NET ASSETS</b>			<u>187,431</u>		<u>167,536</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		1,203		1,203
Retained earnings			186,228		166,333
<b>SHAREHOLDERS' FUNDS</b>			<u>187,431</u>		<u>167,536</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 1 February 2023 and were signed on its behalf by:



C M Ridgway OBE DL - Director

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 31 August 2022**

**1. STATUTORY INFORMATION**

Group Rhodes Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in UK and Republic of Ireland" and the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS102 have been applied other than where additional disclosure is required to give a true and fair view.

The financial statements have been prepared under the historical cost convention.

The functional and presentational currency of the company is considered to be pounds sterling.

**Going concern**

The financial statements have been prepared using the going concern basis.

Despite the uncertainty surrounding the current geopolitical situation and economic climate, the directors consider that given the good level of headroom in financing facilities that the company and its group are in a strong position to overcome the challenges that may arise over the coming months. The directors have prepared projections covering the period to 31 August 2024 which show that the company and the wider group should have sufficient headroom in its existing facilities. Therefore the directors consider it appropriate to prepare the financial statements on a going concern basis.

**Preparation of consolidated financial statements**

The financial statements contain information about Group Rhodes Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 399 of the Companies Act 2006 not to prepare consolidated financial statements.

**Turnover**

Turnover comprises the value of services provided to subsidiary undertakings, excluding value added tax and is recognised as invoices are raised.

**Rental income**

Rental income is recognised over the term of the lease. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

**Intangible assets**

Intangible assets, which relate to purchased intellectual property rights, are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are being amortised evenly over their estimate useful life of 10 years.

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022**

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Tangible fixed assets are stated at purchase cost together with any incidental expenses of acquisition, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible assets, at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its expected useful life.

Leasehold improvements	over the period of the lease
Plant and machinery	10% - 25% straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset after deducting estimated costs of disposal, if the asset were already at an age and in the condition expected at the end of its estimated useful life.

The need for any fixed asset impairment write down is assessed by comparison of the carrying value of the assets against the higher of realisable value and value in use.

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

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost, less impairment.

**Financial instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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 company after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The following assets and liabilities are classified as basic financial instruments - trade debtors, other debtors, cash and bank balances, bank loans, trade creditors, other creditors and inter-company balances.

Trade debtors, other debtors, cash and bank balances, trade creditors, other creditors and inter-company balances (being repayable on demand) are measured at the amortised cost equivalent to the undiscounted amount of cash or other consideration expected to be paid or received.

Bank loans are initially measured at the present value of future payments, discounted at a market rate of interest and subsequently measured at amortised cost using the effective interest method.

**Taxation**

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022**

**2. ACCOUNTING POLICIES - continued**

**Taxation continued**

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to the reversal of the timing difference.

**Leasing commitments**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

**Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

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

**Retirement benefits**

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

**Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

**Impairment of assets**

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit and loss as described below.

**Non financial assets**

An asset is impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

**Financial assets**

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had impairment not been recognised.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022

2. ACCOUNTING POLICIES - continued

**Critical accounting judgements and sources of estimation uncertainty**

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values 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 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 critical judgements that the directors have made in applying the company's accounting policies and the key sources of estimation uncertainty that have had the most significant effect on the amounts recognised in the financial statements are described below:

**Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 15 (2021 - 15).

4. INTANGIBLE FIXED ASSETS

	Other intangible assets £
<b>COST</b>	
At 1 September 2021 and 31 August 2022	33,000
<b>AMORTISATION</b>	
At 1 September 2021	11,825
Charge for year	3,300
At 31 August 2022	15,125
<b>NET BOOK VALUE</b>	
At 31 August 2022	17,875
At 31 August 2021	21,175

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022

5. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Plant and machinery etc £	Totals £
<b>COST</b>			
At 1 September 2021	461,645	384,901	846,546
Additions	-	25,334	25,334
Disposals	-	(158)	(158)
	<u>461,645</u>	<u>410,077</u>	<u>871,722</u>
<b>DEPRECIATION</b>			
At 1 September 2021	167,809	138,489	306,298
Charge for year	46,165	45,293	91,458
Eliminated on disposal	-	(69)	(69)
	<u>213,974</u>	<u>183,713</u>	<u>397,687</u>
<b>NET BOOK VALUE</b>			
At 31 August 2022	<u>247,671</u>	<u>226,364</u>	<u>474,035</u>
At 31 August 2021	<u>293,836</u>	<u>246,412</u>	<u>540,248</u>

6. FIXED ASSET INVESTMENTS

	Shares in group undertaking £
<b>COST</b>	
At 1 September 2021 and 31 August 2022	<u>301,205</u>
<b>NET BOOK VALUE</b>	
At 31 August 2022	<u>301,205</u>
At 31 August 2021	<u>301,205</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	27,495	8,531
Amounts owed by group undertakings	1,408,725	1,367,758
Other debtors	143,836	145,441
	<u>1,580,056</u>	<u>1,521,730</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Bank loans and overdrafts	326,683	320,769
Trade creditors	180,104	144,707
Taxation and social security	303,824	245,043
Other creditors	726,772	573,612
	<u>1,537,383</u>	<u>1,284,131</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2022

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Bank loans	<u>593,736</u>	<u>926,332</u>

Bank loans are secured by a fixed and floating charge over the assets and undertakings of the company and the group by way of cross guarantee and by a personal guarantee of a director for liabilities limited to £100,000 in respect of one of the bank loans.

10. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	346,541	262,054
Between one and five years	970,787	1,176,965
In more than five years	74,341	73,431
	<u>1,391,669</u>	<u>1,512,450</u>

11. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Deferred tax	<u>58,139</u>	<u>58,139</u>

	Deferred tax
	£
Balance at 1 September 2021	<u>58,139</u>
Balance at 31 August 2022	<u>58,139</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
120,300	Ordinary	£0.01	<u>1,203</u>	<u>1,203</u>

13. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Neill Rayland BA FCA (Senior Statutory Auditor)  
for and on behalf of Kirk Newsholme

14. RELATED PARTY DISCLOSURES

A director has given a capped guarantee of £100,000 in respect of one of the company's bank loans.

**15. SHARE-BASED PAYMENT TRANSACTIONS**

In a prior year options were granted by the Group Rhodes Share Option Plan using the Enterprise Management Incentive scheme. The options granted give rights to certain directors to acquire 34,926 new Ordinary Shares of 1p each at an option price of 35p per share. The options allow for 1/5th of the shares to be exercised each year for five years following the grant of the options on 7 September 2017.