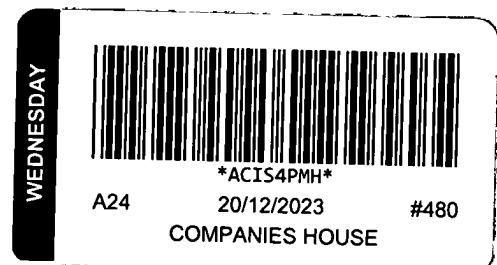


COMPANY REGISTRATION NUMBER: 00116865

COMPANIES HOUSE COPY

William Gibbons & Sons Limited
Financial Statements
31 March 2023



MURAS BAKER JONES LIMITED
Chartered Accountants & statutory auditor
Regent House
Bath Avenue
Wolverhampton
West Midlands
WV1 4EG

William Gibbons & Sons Limited

Financial Statements

Year ended 31 March 2023

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William Gibbons & Sons Limited

Officers and Professional Advisers

The board of directors	D A Gibbons D M Gibbons
Company secretary	D M Gibbons
Registered office	Unit 26 Planetary Industrial Estate Planetary Road Willenhall WV13 3XA
Auditor	Muras Baker Jones Limited Chartered Accountants & statutory auditor Regent House Bath Avenue Wolverhampton West Midlands WV1 4EG

William Gibbons & Sons Limited

Strategic Report

Year ended 31 March 2023

Principal activities, review of business and future developments

The principal activity of the company is that of printers and printing trade finishers in the United Kingdom.

The directors are pleased with the results for the year and consider the position at the Statement of Financial Position date to be satisfactory. The directors expect that the company will be able to trade profitably for the foreseeable future.

Post balance sheet events

There have been no other significant events affecting the company since the year end.

Principal risks and uncertainties

The principal risk of the company for the next 12 months is the energy costs and the rising fuel costs, as is common with all other businesses. The company is experiencing high energy costs and in addition substantial increases in the costs of raw materials.

The market for printers and printing trade finishers remains highly competitive. The company seeks to manage the risk of losing customers by the provision of value added services, improving response times in the supply of products, the proactive handling of customer queries and by maintaining strong relationships and local representation with key customers.

Management continue to exercise tight control over all costs of the business which can be subject to external pressures.

Key performance indicators

The key financial performance indicators for the company are turnover and operating profit before exceptional items. For the year ended 31 March 2023, the performance of the company was in line with expectations.

	2023	2022
	£	£
Turnover	43,437,253	36,931,980
Operating profit before exceptional items	4,305,876	2,847,054

William Gibbons & Sons Limited

Strategic Report *(continued)*

Year ended 31 March 2023

Section 172(1) statement

The directors of William Gibbons & Sons Limited confirm that they have acted in good faith in the way they consider what would be most likely to promote the success of the company for the benefit of its stakeholders as a whole. In doing so they have considered, among other matters, those set out in section 172(1) (a) to (f) of the Companies Act 2006:

- a) the likely consequence of any decision in the long term;
- b) the interests of the company's employees;
- c) the need to foster the company's business relationships with suppliers, customers and others;
- d) the impact on the company's operations on the community and the environment;
- e) the desirability of the company maintain a reputation for high standards of business conduct; and
- f) the need to act fairly as between the members of the company.

The stakeholders the directors consider in this regards are primarily its employees and customers but also the wider community. *Engagement with all stakeholders is of fundamental importance across the business and the directors are focused on building these relationships on a continuous basis.*

Employees

The employees are at the centre of company's activities and the company continues to invest time and money in making William Gibbons & Sons Limited a better place to work. The directors recognise the success of the business depends on attracting, retaining and motivating employees. The company owned by an Employee Ownership Trust and employees are represented on the ownership board. The company pays bonuses to all employees based length of service and profitability.

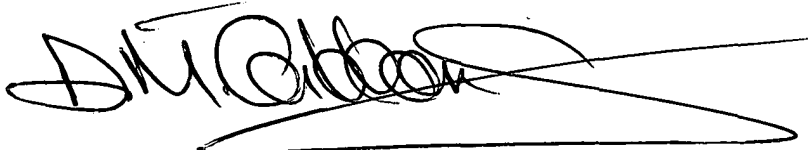
Customers

The company put its customers at the top of its priorities. Their satisfaction is paramount to the continual success of the company.

Community and environment

The directors consider it is in the best interests of the company to do the right thing in terms of delivering continued value for all stakeholders over the long term by the continual investment in the business. Continual investment in new plant and technology will have the beneficial impact on the community and environment in terms of having quality jobs available and will further support the development of a low carbon infrastructure by working to minimise emissions.

This report was approved by the board of directors on 13 November 2023 and signed on behalf of the board by:



D M Gibbons
Director

William Gibbons & Sons Limited

Directors' Report

Year ended 31 March 2023

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

Principal activities

The principal activity of the company during the year is that of printers and printing trade finishers in the United Kingdom.

Directors

The directors who served the company during the year were as follows:

D A Gibbons
D M Gibbons

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Greenhouse gas emissions and energy consumption

	Unit	2023	2022
Emissions resulting from activities for which the company is responsible (scope 1)	tCO ₂ e	3,547	4,022
Emissions resulting from the purchase of electricity by the company for its own use (scope 2)	tCO ₂ e	2,611	3,089
Total emissions	tCO ₂ e	6,158	7,111
Total energy consumption	kWh	32,876,972	36,388,836
Intensity metric - tonnage of paper (tonnes)		0.12	0.13

Methodologies for energy and emissions calculations

The directors have followed the government policy Streamlined Energy & Carbon Reporting (SECR), as implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Principal measures taken to increase energy efficiency

The company's energy consumption, in kilowatt hours, associated greenhouse gas (GHG) emissions, in tonnes of carbon dioxide equivalent (tCO₂e) and additional information for the year 1 April 2022 to 31 March 2023, including comparatives, is set out above.

The company are committed to year on year improvements in their operational efficiency. Over the next 5 years the company aims to;

- investigating feasibility with replacing delivery vans with EV;
- prioritise upgrade of fork lift trucks with Lithium-ion batteries;
- investigate feasibility and if appropriate install Solar Photo Voltaic Panels at Unit 34-37.

William Gibbons & Sons Limited

Directors' Report *(continued)*

Year ended 31 March 2023

Employment of disabled persons

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the company. Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the company.

Employee involvement

The flow of information to staff has been maintained. Members of the management team regularly discuss matters of current interest and concern to the business with members of staff.

Events after the end of the reporting period

Other than as noted in the Strategic Report and notes to the financial statements there have been no significant events affecting the company since the year end.

Qualifying indemnity provision

The directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Other matters

Credit risk

Financial risk management objectives and policies have been formulated by the group to control the company's exposure to credit risk. The company has implemented policies that require appropriate credit checks on customers or full payment before services are provided.

Interest rate risk

The group is vulnerable to changes in interest rates thereby potentially increasing the interest cost. This risk is addressed by planning for repayments of the interest and principal and monitoring the mix of borrowings to ensure the balance between fixed and floating rate instruments is appropriate.

Liquidity risk

The group monitors cash flow, both as part of its day to day control procedures and with regard to longer term planning in order to ensure that adequate liquidity remains available to the group for the short, medium and long term.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

William Gibbons & Sons Limited

Directors' Report *(continued)*

Year ended 31 March 2023

In preparing these financial statements, the directors are required to:

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

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

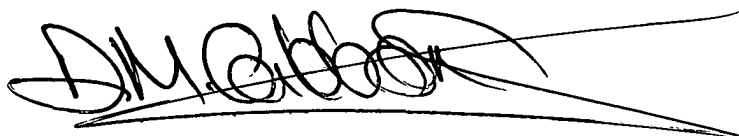
Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Muras Baker Jones Limited is deemed to be re-appointed in accordance with Section 487 of the Companies Act 2006.

This report was approved by the board of directors on 13 November 2023 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'D M Gibbons', with a long horizontal line extending to the right.

D M Gibbons
Director

William Gibbons & Sons Limited

Independent Auditor's Report to the Members of William Gibbons & Sons Limited

Year ended 31 March 2023

Opinion

We have audited the financial statements of William Gibbons & Sons Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of income and retained earnings, statement of financial position and the related notes, 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 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

William Gibbons & Sons Limited

Independent Auditor's Report to the Members of William Gibbons & Sons Limited *(continued)*

Year ended 31 March 2023

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

William Gibbons & Sons Limited

Independent Auditor's Report to the Members of William Gibbons & Sons Limited *(continued)*

Year ended 31 March 2023

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.

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:

In planning and designing our audit tests we identify and assess the risks of material misstatement within the financial statements, whether due to fraud or error. Our assessment of these risks includes consideration of the nature of the industry and sector, the control environment and the business performance along with the results of our enquiries of management about their own identification and assessment of risks and irregularities. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK tax legislation and other laws and regulations identified as risk areas identified from our discussions with management.

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

After consideration of the above risks we then carried out audit procedures including the following:

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing correspondence with H M Revenue & Customs;
- enquiring of management and reviewing any correspondence with legal advisors concerning actual and potential litigation and claims;
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

There are inherent limitations in our audit procedures described above. The more removed that the laws and regulations are from financial transactions the less likely it is that we would be aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

William Gibbons & Sons Limited

Independent Auditor's Report to the Members of William Gibbons & Sons Limited *(continued)*

Year ended 31 March 2023

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 our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state 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.



Trevor Brueton BA FCA (Senior Statutory Auditor)

For and on behalf of
Muras Baker Jones Limited
Chartered Accountants & statutory auditor
Regent House
Bath Avenue
Wolverhampton
West Midlands
WV1 4EG

13 November 2023

William Gibbons & Sons Limited

Statement of Income and Retained Earnings

Year ended 31 March 2023

	Note	2023 £	2022 £
Turnover	4	43,437,253	36,931,980
Cost of sales		36,693,038	31,908,874
Gross profit		<u>6,744,215</u>	<u>5,023,106</u>
Distribution costs		939,402	1,087,885
Administrative expenses		1,498,937	1,089,492
Other operating income	5	—	1,325
Operating profit	6	<u>4,305,876</u>	<u>2,847,054</u>
Other interest receivable and similar income	9	44,093	2,317
Interest payable and similar expenses	10	15,890	3,442
Profit before taxation		<u>4,334,079</u>	<u>2,845,929</u>
Tax on profit	11	841,185	506,108
Profit for the financial year and total comprehensive income		<u>3,492,894</u>	<u>2,339,821</u>
Dividends paid and payable	12	(4,000,000)	(3,000,000)
Retained earnings at the start of the year		<u>9,259,397</u>	<u>9,919,576</u>
Retained earnings at the end of the year		<u>8,752,291</u>	<u>9,259,397</u>

All the activities of the company are from continuing operations.

The notes on pages 13 to 25 form part of these financial statements.

William Gibbons & Sons Limited

Statement of Financial Position

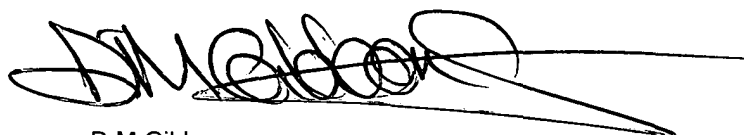
31 March 2023

	Note	2023 £	£	2022 £
Fixed assets				
Tangible assets	13		1,644,102	2,572,007
Current assets				
Stocks	14	2,143,114		2,373,343
Debtors	15	13,516,745		13,822,982
Cash at bank and in hand		3,383,222		2,694,301
		19,043,081		18,890,626
Creditors: amounts falling due within one year	16	9,763,548		9,757,049
Net current assets			9,279,533	9,133,577
Total assets less current liabilities			10,923,635	11,705,584
Creditors: amounts falling due after more than one year	17		142,057	691,018
Provisions	19		1,813,503	1,539,385
Net assets			8,968,075	9,475,181
Capital and reserves				
Called up share capital	22		19,867	19,867
Share premium account	23		178,066	178,066
Capital redemption reserve	23		17,851	17,851
Profit and loss account	23		8,752,291	9,259,397
Shareholders funds			8,968,075	9,475,181

These financial statements were approved by the board of directors and authorised for issue on 13 November 2023, and are signed on behalf of the board by:



D A Gibbons
Director



D M Gibbons
Director

Company registration number: 00116865

The notes on pages 13 to 25 form part of these financial statements.

William Gibbons & Sons Limited

Notes to the Financial Statements

Year ended 31 March 2023

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 26, Planetary Industrial Estate, Planetary Road, Willenhall, WV13 3XA.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Foreign currency

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the retranslation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Going concern

The directors have considered the trading performance and expected activity in the next 12 months and therefore conclude that the company is a going concern.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement that has accrued at the statement of financial position date and has been carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement.

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.

William Gibbons & Sons Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of William Gibbons Group Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) Disclosures in respect of share-based payments have not been presented.
- (e) No disclosure has been given for the aggregate remuneration of key management personnel.

William Gibbons & Sons Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Judgments and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historic experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The judgments, estimates and assumptions which have a significant risk of material adjustments to carrying amount of assets and liabilities are:

Going concern

The financial statements are prepared on a going concern basis. The directors take into account various factors when considering going concern. Their assessment covers at least twelve months following the date of approval of the accounts. More information in this respect is given on page 13.

Useful economic lives of tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Stock provisions

The company has recognised provisions for the impairment of stock. The judgments, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors. In the case of the provision for the impairment of stock, this covers obsolescence through technological or customer specific reasons. This provision is based on the assessment of stock value and ageing, quantities on hand, usage, changes in the market, technical developments and warranty periods. The value of stock in note 12 is net of the provision for the impairment of stock.

Bad debt provision

The company has recognised provisions against specific trade debtor balances. The judgments and estimates necessary to calculate these provisions are based on historical experience and other reasonable factors. This provision is based on the age of debt balances and the assessed recoverability. The value of trade debtors in note 13 is stated net of the provision of bad debts.

Leasehold premises repairs

The company has recognised provisions for leasehold premises repairs. The judgments, estimates and associated assumptions necessary to calculate these provisions are based on the expected cost of repairs which are expected to be incurred under the terms of the lease agreements.

William Gibbons & Sons Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Revenue recognition

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and it can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover is recognised from the sale of goods when the entity has transferred to the buyer the significant risks and rewards of ownership of the goods. This occurs when the buyer takes possession of the goods.

Current and deferred taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible fixed assets 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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amounts of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long leasehold property	-	Over the period of the lease
Plant and machinery	-	15%/33.3%/50% straight line
Motor vehicles	-	33.3% straight line

William Gibbons & Sons Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Depreciation *(continued)*

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, 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 within 'administrative expenses' in the statement of comprehensive income.

Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

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 net realisable value. The impairment loss is recognised immediately in the statement of comprehensive income.

Finance leases and hire purchase contracts

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the statement of comprehensive income over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the statement of comprehensive income over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

William Gibbons & Sons Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Provisions

Provisions are made where an event has taken place that gives rise to 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 obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

Financial instruments

Financial assets

Financial assets comprise cash at bank and in hand, trade debtors, amounts owed by group undertakings and other debtors; these are initially recorded at cost on the date they originate and are subsequently recorded at cost less provisions for impairment. The company considers evidence of impairment for all individual trade and other debtors and amounts owed by group undertakings, and any subsequent impairment is recognised in the statement of comprehensive income.

Impairment of financial assets

Impairment provisions are recognised when there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulties of the counterparty, default or significant delays in payment.

Impairment provisions represent the difference between the net carrying amount of a financial asset and the value of the expected future cash receipts from that asset.

Financial liabilities

Financial liabilities comprise trade creditors, other creditors and accruals; these are initially recorded, and subsequently carried, at cost on the date they originate.

Financial liabilities also comprise obligations under finance lease and hire purchase contracts; these are initially recorded at cost on the date they originate, and are subsequently carried at amortised cost under the effective interest method.

Defined contribution plans

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

4. Turnover

Turnover arises from:

	2023	2022
	£	£
Sale of goods	43,437,253	36,931,980

William Gibbons & Sons Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2023

4. Turnover (continued)

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Other operating income

	2023	2022
	£	£
Other operating income	—	1,325

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2023	2022
	£	£
Depreciation of tangible assets	979,085	1,443,471
Gains on disposal of tangible assets	(160,000)	(12,250)
Impairment of trade debtors	—	(6,252)
Operating lease expense - plant and machinery	51,813	56,157
Operating lease expense - other assets	861,658	707,909
Fees payable to the company's auditor for the audit of the company's annual accounts	20,000	20,000
Fees payable to the company's auditor in respect of non audit services	4,750	5,496

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2023	2022
	No.	No.
Production staff	286	318
Distribution staff	1	1
Administrative staff	23	21
	<u>310</u>	<u>340</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2023	2022
	£	£
Wages and salaries	8,192,290	8,421,886
Social security costs	718,661	777,101
Other pension costs	178,469	180,115
	<u>9,089,420</u>	<u>9,379,102</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2023	2022
	£	£
Remuneration	<u>24,316</u>	<u>3,194</u>

William Gibbons & Sons Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2023

8. Directors' remuneration (continued)

There were no directors in the company's defined contribution pension scheme during the year (2022 - nil).

9. Other interest receivable and similar income

	2023	2022
	£	£
Interest on bank deposits	43,418	2,317
Other interest	675	—
	<u>44,093</u>	<u>2,317</u>

10. Interest payable and similar expenses

	2023	2022
	£	£
Interest on banks loans and overdrafts	361	3,442
Other interest payable and similar charges	15,529	—
	<u>15,890</u>	<u>3,442</u>

11. Tax on profit

Major components of tax expense

	2023	2022
	£	£
Current tax:		
UK current tax expense	915,595	531,906
Adjustments in respect of prior periods	16,490	(158)
Total current tax	<u>932,085</u>	<u>531,748</u>
Deferred tax:		
Origination and reversal of timing differences	(90,900)	(25,640)
Tax on profit	<u>841,185</u>	<u>506,108</u>

William Gibbons & Sons Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2023

11. Tax on profit (continued)

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2022: lower than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

	2023 £	2022 £
Profit on ordinary activities before taxation	4,334,079	2,845,929
Profit on ordinary activities by rate of tax	823,475	540,726
Adjustment to tax charge in respect of prior periods	16,490	(158)
Effect of different UK tax rates on some earnings	(42,278)	–
Rounding on tax charge	3	–
Permanent timing differences	1,417	1,872
Other items affecting tax charge	42,078	(36,332)
Tax on profit	<u>841,185</u>	<u>506,108</u>

12. Dividends

	2023 £	2022 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>4,000,000</u>	<u>3,000,000</u>

13. Tangible assets

	Long leasehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 April 2022	255,075	34,811,121	52,933	35,119,129
Additions	–	32,122	19,058	51,180
Disposals	–	(750,000)	–	(750,000)
At 31 March 2023	<u>255,075</u>	<u>34,093,243</u>	<u>71,991</u>	<u>34,420,309</u>
Depreciation				
At 1 April 2022	255,074	32,252,504	39,544	32,547,122
Charge for the year	–	965,005	14,080	979,085
Disposals	–	(750,000)	–	(750,000)
At 31 March 2023	<u>255,074</u>	<u>32,467,509</u>	<u>53,624</u>	<u>32,776,207</u>
Carrying amount				
At 31 March 2023	<u>1</u>	<u>1,625,734</u>	<u>18,367</u>	<u>1,644,102</u>
At 31 March 2022	<u>1</u>	<u>2,558,617</u>	<u>13,389</u>	<u>2,572,007</u>

The net book value of tangible assets includes an amount of £860,577 (2022 £1,506,185) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £600,142 (2021 £635,329).

William Gibbons & Sons Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

14. Stocks

	2023	2022
	£	£
Raw materials and consumables	1,886,039	2,354,568
Work in progress	257,075	18,775
	<u>2,143,114</u>	<u>2,373,343</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

The cost of inventories expensed in the period and included within cost of sales was £23,272,109 (2022 £18,272,759). Impairment losses relating to aged inventories and included within cost of sales amounted to £298,015 (2022 - £nil).

15. Debtors

	2023	2022
	£	£
Trade debtors	6,026,870	5,640,390
Amounts owed by group undertakings	6,614,956	7,161,645
Deferred tax asset	176,200	85,300
Prepayments and accrued income	253,914	458,596
Other debtors	444,805	477,051
	<u>13,516,745</u>	<u>13,822,982</u>

The debtors above include the following amounts falling due after more than one year:

	2023	2022
	£	£
Amounts owed by group undertakings	<u>6,614,956</u>	<u>7,161,645</u>

All amounts shown under debtors fall due for payment within one year.

The impairment loss recognised in the statement of comprehensive income for the period in respect of bad and doubtful trade debtors was £nil (2022 £nil).

16. Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts	—	24,417
Trade creditors	5,540,407	5,831,614
Accruals and deferred income	3,096,579	2,682,504
Corporation tax	309,306	227,896
Social security and other taxes	169,629	190,015
Obligations under finance leases and hire purchase contracts	645,127	798,103
Other creditors	2,500	2,500
	<u>9,763,548</u>	<u>9,757,049</u>

William Gibbons & Sons Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2023

17. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Obligations under finance leases and hire purchase contracts	<u>142,057</u>	<u>691,018</u>

Obligations under finance leases and hire purchase contracts are secured on the related fixed assets.

18. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2023	2022
	£	£
Not later than 1 year	645,127	798,103
Later than 1 year and not later than 5 years	<u>142,057</u>	<u>691,018</u>
	<u>787,184</u>	<u>1,489,121</u>

19. Provisions

	Leasehold premises repairs £
At 1 April 2022	1,539,385
Additions	274,118
At 31 March 2023	<u><u>1,813,503</u></u>

The leasehold premises repairs provision relates to the expected cost of repairs which are required to be completed under the terms of the lease agreements for leasehold premises.

20. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2023	2022
	£	£
Included in debtors (note 15)	<u>176,200</u>	<u>85,300</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2023	2022
	£	£
Accelerated capital allowances	<u>(176,200)</u>	<u>(85,300)</u>

21. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £178,469 (2022: £180,115).

William Gibbons & Sons Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

22. Called up share capital

Authorised share capital

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>19,867</u>	<u>19,867</u>	<u>19,867</u>	<u>19,867</u>

Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>19,867</u>	<u>19,867</u>	<u>19,867</u>	<u>19,867</u>

23. Reserves

The Company's capital and reserves are as follows:

Share capital represents the nominal value of allotted and fully paid up ordinary share capital.

Share premium represents the premium on issue of equity shares.

Capital redemption reserve represents the cumulative par value of shares repurchased by the company.

Profit and loss account represents the cumulative net gains and losses recognised in the statement of comprehensive income, net of dividends paid.

24. Ultimate parent company and parent undertaking of larger group

The company is controlled by William Gibbons Group Limited and is a wholly owned subsidiary of that company. The registered office of William Gibbons Group Limited is Unit 26 Planetary Industrial Estate, Planetary Road, Willenhall, WV13 3XA. The directors regard William Gibbons Group Limited as the ultimate parent company and group financial statements are available from Companies House, Cardiff.

25. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Not later than 1 year	808,355	551,355
Later than 1 year and not later than 5 years	<u>1,950,989</u>	<u>1,306,053</u>
	<u>2,759,344</u>	<u>1,857,408</u>

26. Related party transactions

The company is a wholly owned subsidiary of William Gibbons Group Limited and has taken advantage of the exemption conferred by FRS102 section 33 not to disclose transactions with William Gibbons Group Limited or other wholly owned subsidiaries within the group.

William Gibbons & Sons Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

27. Controlling party

The ultimate controlling party is the trustees of The William Gibbons & Sons Share Ownership Trust.

28. Post balance sheet events

Other than as noted in the Strategic Report and notes to the financial statements there have been no significant events affecting the company since the year end.