

COMPANY REGISTRATION NUMBER: 01522740

GARLAND PRODUCTS LIMITED
GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021



LANGARD LIFFORD HALL LIMITED

Accountants and Statutory Auditor

Lifford Hall
Lifford Lane
Kings Norton
Birmingham
B30 3JN

GARLAND PRODUCTS LIMITED
GROUP FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

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GARLAND PRODUCTS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

R S Glendenning
H M Glendenning

Registered office

Building 27 First Avenue
Pensnett Estate
Kingswinford
DY6 7TZ

Auditor

Langard Lifford Hall Limited
Accountants and Statutory Auditor
Lifford Hall
Lifford Lane
Kings Norton
Birmingham
B30 3JN

GARLAND PRODUCTS LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report for the company for the year ended 31 December 2021.

Principal activities and business review

The principal activity of the company was the supply of specialist horticultural, as well as general, plastic moulded products.

The principal activities of the group during the year were the manufacture and sale of plastic components and products processed by injection moulding and also the purchase and sale of garden furniture covers along with other garden sundries in the United Kingdom and export worldwide.

The group has experienced a year of very significant sales growth with the horticultural market benefitting from impact of the Covid-19 pandemic. With movements restricted during the course of the year, consumers were forced to spend more time at home and in their gardens, meaning they increased their spend proportionately on products for the home and garden. This phenomenon was seen in both our home and export markets. The benefit of increased sales was somewhat offset by increases in the costs of energy and raw materials which did impact on operating margins.

The directors use the following key performance indicators to monitor the performance of the business against prior years and competitors:

	2021	2020
	£	£
Turnover	16,404,730	12,862,262
Gross profit %	21	28
Profit before taxation	1,000,438	1,663,968
Net assets	4,954,014	4,456,582

Principal risks and uncertainties

The directors are of the opinion that there are no specific risks attributable to the group of which need to be highlighted other than normal commercial risks. Risks to the business are reported and reviewed at regular meetings of the directors and risk mitigation strategies implemented as appropriate.

The directors believe that the quality of the company's products and customer service will mitigate these risks resulting in continued growth and satisfactory trading performance.

The company's credit risk is mainly attributable to trade receivables. The exposure is spread over a large number of customers, which limits exposure.

The principal uncertainty that the company faces is the cost of raw materials, and that of the cost of power. The company has no influence over these items and is therefore at risk to the general market forces.

This report was approved by the board of directors on 6 July 2022 and signed on behalf of the board by:



H M Glendenning
Director

Registered office:
Building 27 First Avenue
Pensnett Estate
Kingswinford
DY6 7TZ

GARLAND PRODUCTS LIMITED**DIRECTORS' REPORT****YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the Group Financial Statements of the group for the year ended 31 December 2021.

Directors

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

R S Glendenning
H M Glendenning

Dividends

Particulars of recommended dividends are detailed in note 12 to the Group Financial Statements.

Future developments

The group will continue to invest in its garden products range to meet the demands of key garden retailers going forward.

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 group and 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 group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 6 July 2022 and signed on behalf of the board by:



H M Glendenning
Director

Registered office:
Building 27 First Avenue
Pensnett Estate
Kingswinford
DY6 7TZ

GARLAND PRODUCTS LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT
YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the strategic report, directors' report and the Group Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group Financial Statements for each financial year. Under that law the directors have elected to prepare the Group 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 Group Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period.

In preparing these Group 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;
- prepare the Group 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 Group 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.

GARLAND PRODUCTS LIMITED

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

YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the Group Financial Statements of Garland Products Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows 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 Group Financial Statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's 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 group 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 Group 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, as not all future events or conditions can be predicted, such as the impact of Covid-19, and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor report is not a guarantee that the company will continue in operation as a going concern.

Other information

The other information comprises the information included in the annual report, other than the Group Financial Statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the Group 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 Group Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Group 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 Group 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.

GARLAND PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GARLAND PRODUCTS LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2021

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 Group Financial Statements are prepared is consistent with the Group 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 group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company Group 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 Group 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 Group Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group Financial Statements, the directors are responsible for assessing the group's and the 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 or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the group financial statements

Our objectives are to obtain reasonable assurance about whether the Group 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 Group 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:

Identifying and assessing potential risks related to irregularities

We identified laws and regulations that could reasonably be expected to have a material effect on the financial statements, from our own knowledge and through discussion with the directors. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance.

We also obtained details of the procedures for each main area of the organisation, testing and evaluating them to ensure compliance, identifying areas of weakness and their ability to mitigate risks of fraud or error.

As a result of testing, we considered the opportunities and incentives that may exist within the organisation for fraud, including areas where management exercise significant judgement. Such items were tested, as well as specific procedures relating to the risk of management override.

GARLAND PRODUCTS LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GARLAND
PRODUCTS LIMITED (continued)****YEAR ENDED 31 DECEMBER 2021****Audit response to the risks identified**

As a result of the above, our audit procedures included the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance;
- Enquiring of management of any actual or potential litigation and claims;
- Performing analytical procedures to identify anything unusual that may indicate risks of material misstatement;
- Reading minutes of meetings of those charged with governance;
- Testing the appropriateness of journal entries and other adjustments, in addressing the risk of management override.

A further description of our responsibilities for the audit of the Group 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 to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David J Hanby (Senior Statutory Auditor)

For and on behalf of

Langard Lifford Hall Limited

Accountants and Statutory Auditor

Lifford Hall, Lifford Lane, Kings Norton,
Birmingham, B30 3JN

6 July 2022

GARLAND PRODUCTS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	4	16,404,730	12,862,262
Cost of sales		12,989,738	9,224,130
Gross profit		3,414,992	3,638,132
Distribution costs		477,855	394,417
Administrative expenses		1,942,725	1,774,725
Other operating income	5	15,964	202,793
Operating profit	6	1,010,376	1,671,783
Interest payable and similar expenses	10	9,938	7,815
Profit before taxation		1,000,438	1,663,968
Tax on profit	11	270,006	306,728
Profit for the financial year and total comprehensive income		730,432	1,357,240
Profit for the financial year attributable to:			
The owners of the parent company		631,903	1,257,792
Non-controlling interests		98,529	99,448
		730,432	1,357,240

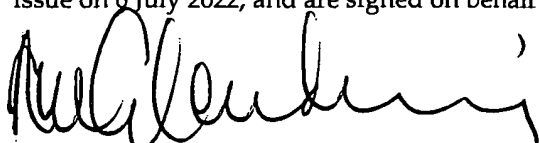
All the activities of the group are from continuing operations.

The notes on pages 14 to 27 form part of these Group Financial Statements.

GARLAND PRODUCTS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	1,414,738	1,169,825
Investments	15	48,000	48,000
		<u>1,462,738</u>	<u>1,217,825</u>
Current assets			
Stocks	16	2,263,069	2,062,583
Debtors	17	2,724,206	1,971,859
Cash at bank and in hand		1,685,910	1,655,714
		<u>6,673,185</u>	<u>5,690,156</u>
Creditors: amounts falling due within one year	18	<u>2,580,583</u>	<u>1,943,974</u>
Net current assets		<u>4,092,602</u>	<u>3,746,182</u>
Total assets less current liabilities		<u>5,555,340</u>	<u>4,964,007</u>
Creditors: amounts falling due after more than one year	19	350,921	360,435
Provisions			
Taxation including deferred tax	21	250,405	146,990
Net assets		<u>4,954,014</u>	<u>4,456,582</u>
Capital and reserves			
Called up share capital	25	100	100
Profit and loss account	26	4,770,272	4,371,369
Equity attributable to the owners of the parent company		<u>4,770,372</u>	<u>4,371,469</u>
Non-controlling interests		<u>183,642</u>	<u>85,113</u>
		<u>4,954,014</u>	<u>4,456,582</u>

These Group Financial Statements were approved by the board of directors and authorised for issue on 6 July 2022, and are signed on behalf of the board by:



H M Glendenning
Director

Company registration number: 01522740

The notes on pages 14 to 27 form part of these Group Financial Statements.

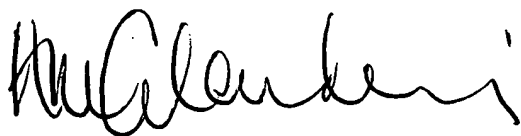
GARLAND PRODUCTS LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	208,376	167,147
Investments	15	341,107	341,107
		<u>549,483</u>	<u>508,254</u>
Current assets			
Stocks	16	725,714	732,768
Debtors	17	2,818,443	2,336,881
Cash at bank and in hand		1,062,959	966,667
		<u>4,607,116</u>	<u>4,036,316</u>
Creditors: amounts falling due within one year	18	<u>2,409,191</u>	<u>1,870,181</u>
Net current assets		<u>2,197,925</u>	<u>2,166,135</u>
Total assets less current liabilities		<u>2,747,408</u>	<u>2,674,389</u>
Net assets		<u>2,747,408</u>	<u>2,674,389</u>
Capital and reserves			
Called up share capital	25	100	100
Profit and loss account	26	2,747,308	2,674,289
Shareholders funds		<u>2,747,408</u>	<u>2,674,389</u>

The profit for the financial year of the parent company was £306,019 (2020: £896,768).

These Group Financial Statements were approved by the board of directors and authorised for issue on 6 July 2022, and are signed on behalf of the board by:



H M Glendenning
 Director

Company registration number: 01522740

The notes on pages 14 to 27 form part of these Group Financial Statements.

GARLAND PRODUCTS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2021

		Called up share capital £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non- controlling interests £	Total £
At 1 January 2020		100	3,408,577	3,408,677	(14,335)	3,394,342
Profit for the year			1,257,792	1,257,792	99,448	1,357,240
Total comprehensive income for the year		-	1,257,792	1,257,792	99,448	1,357,240
Dividends paid and payable	12	-	(295,000)	(295,000)	-	(295,000)
Total investments by and distributions to owners		-	(295,000)	(295,000)	-	(295,000)
At 31 December 2020		100	4,371,369	4,371,469	85,113	4,456,582
Profit for the year			631,903	631,903	98,529	730,432
Total comprehensive income for the year		-	631,903	631,903	98,529	730,432
Dividends paid and payable	12	-	(233,000)	(233,000)	-	(233,000)
Total investments by and distributions to owners		-	(233,000)	(233,000)	-	(233,000)
At 31 December 2021		100	4,770,272	4,770,372	183,642	4,954,014

The notes on pages 14 to 27 form part of these Group Financial Statements.

GARLAND PRODUCTS LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2021

		Called up share capital £	Profit and loss account £	Total £
At 1 January 2020		100	2,072,521	2,072,621
Profit for the year			896,768	896,768
Total comprehensive income for the year		-	896,768	896,768
Dividends paid and payable	12	-	(295,000)	(295,000)
Total investments by and distributions to owners		-	(295,000)	(295,000)
At 31 December 2020		100	2,674,289	2,674,389
Profit for the year			306,019	306,019
Total comprehensive income for the year		-	306,019	306,019
Dividends paid and payable	12	-	(233,000)	(233,000)
Total investments by and distributions to owners		-	(233,000)	(233,000)
At 31 December 2021		100	2,747,308	2,747,408

The notes on pages 14 to 27 form part of these Group Financial Statements.

GARLAND PRODUCTS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	730,432	1,357,240
<i>Adjustments for:</i>		
Depreciation of tangible assets	257,622	227,382
Amortisation of intangible assets	-	(24,747)
Government grant income	(15,964)	(202,793)
Interest payable and similar expenses	9,938	7,815
Loss on disposal of tangible assets	-	9,500
Tax on profit	270,006	306,728
Accrued expenses	100,759	25,001
<i>Changes in:</i>		
Stocks	(200,486)	33,641
Trade and other debtors	(752,347)	(558,872)
Trade and other creditors	720,408	470,105
Cash generated from operations	<u>1,120,368</u>	<u>1,651,000</u>
Interest paid	(9,938)	(7,815)
Tax paid	(349,577)	(134,579)
Net cash from operating activities	<u>760,853</u>	<u>1,508,606</u>
Cash flows from investing activities		
Purchase of tangible assets	(374,780)	(556,623)
Proceeds from sale of tangible assets	-	41,879
Net cash used in investing activities	<u>(374,780)</u>	<u>(514,744)</u>
Cash flows from financing activities		
Proceeds from borrowings	(407)	(1,067)
Government grant income	15,964	202,793
Payments of finance lease liabilities	(138,434)	176,153
Dividends paid	(233,000)	(295,000)
Net cash (used in)/from financing activities	<u>(355,877)</u>	<u>82,879</u>
Net increase in cash and cash equivalents	30,196	1,076,741
Cash and cash equivalents at beginning of year	<u>1,655,714</u>	<u>578,973</u>
Cash and cash equivalents at end of year	<u>1,685,910</u>	<u>1,655,714</u>

The notes on pages 14 to 27 form part of these Group Financial Statements.

GARLAND PRODUCTS LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Building 27 First Avenue, Pensnett Estate, Kingswinford, DY6 7TZ.

2. Statement of compliance

These Group 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 Group 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 Group Financial Statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under 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) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The consolidated group financial statements incorporate the group financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over a maximum of 20 years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

GARLAND PRODUCTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Positive and negative purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

GARLAND PRODUCTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

3. Accounting policies *(continued)*

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Positive goodwill	- 100% straight line
Negative goodwill	- 5% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

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:

Plant and machinery	- 15% reducing balance
Fixtures and fittings	- 15% reducing balance
Motor vehicles	- 25% reducing balance
Computer equipment	- 33% reducing balance

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition and also includes payments for orders that had not been delivered at the year end.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

GARLAND PRODUCTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

3. Accounting policies *(continued)*

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis 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 and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

4. Turnover

Turnover arises from:

	2021 £	2020 £
Sale of goods	<u>16,404,730</u>	<u>12,862,262</u>

The turnover is attributable to the one principal activity of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2021 £	2020 £
United Kingdom	12,239,341	9,617,461
Other European Community countries	2,457,997	2,280,951
Rest of the world	1,707,392	963,850
	<u>16,404,730</u>	<u>12,862,262</u>

GARLAND PRODUCTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

5. Other operating income

	2021	2020
	£	£
Government grant income	<u>15,964</u>	<u>202,793</u>

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2021	2020
	£	£
Amortisation of intangible assets	-	(24,747)
Depreciation of tangible assets	257,622	227,382
Loss on disposal of tangible assets	-	9,500
Impairment of trade debtors	1,566	1,046
Foreign exchange differences	19,032	(1,763)
Lease payments recognised as an expense	<u>625,702</u>	<u>560,066</u>

7. Auditor's remuneration

	2021	2020
	£	£
Fees payable for the audit of the group financial statements	<u>31,000</u>	<u>30,750</u>

8. Staff costs

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

	2021	2020
	No.	No.
Production staff	123	118
Number of administrative and sales staff	14	13
Number of directors	2	2
	<u>139</u>	<u>133</u>

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

	2021	2020
	£	£
Wages and salaries	2,835,395	2,525,668
Social security costs	223,761	196,052
Other pension costs	130,165	111,365
	<u>3,189,321</u>	<u>2,833,085</u>

GARLAND PRODUCTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

9. Directors' remuneration

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

	2021	2020
	£	£
Remuneration	93,835	101,693
Company contributions to defined contribution pension plans	38,000	28,000
	<u>131,835</u>	<u>129,693</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2021	2020
	No.	No.
Defined contribution plans	<u>1</u>	<u>1</u>

10. Interest payable and similar expenses

	2021	2020
	£	£
Interest on obligations under finance leases and hire purchase contracts	<u>9,938</u>	<u>7,815</u>

11. Tax on profit

Major components of tax expense

	2021	2020
	£	£
Current tax:		
UK current tax expense	166,591	263,554
Deferred tax:		
Origination and reversal of timing differences	43,318	43,174
Impact of change in tax rate	60,097	-
Total deferred tax	<u>103,415</u>	<u>43,174</u>
Tax on profit	<u>270,006</u>	<u>306,728</u>

GARLAND PRODUCTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

11. Tax on profit *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021 £	2020 £
Profit on ordinary activities before taxation	1,000,438	1,663,968
Profit on ordinary activities by rate of tax	190,083	316,154
Effect of expenses not deductible for tax purposes	316	(1,763)
Effect of different UK tax rates on deferred tax	60,097	-
Timing differences for which no deferred tax recognised	7,083	(16,569)
Effect of non qualifying depreciation	26,054	8,906
Effect of super-deduction	(13,627)	-
Tax on profit	<u>270,006</u>	<u>306,728</u>

12. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2021 £	2020 £
Equity dividends on ordinary shares	<u>233,000</u>	<u>295,000</u>

13. Intangible assets

Group	Positive goodwill £	Negative goodwill £	Total £
Cost			
At 1 January 2021 and 31 December 2021	<u>144,972</u>	<u>(495,028)</u>	<u>(350,056)</u>
Amortisation			
At 1 January 2021 and 31 December 2021	<u>144,972</u>	<u>(495,028)</u>	<u>(350,056)</u>
Carrying amount			
At 1 January 2021 and 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>

GARLAND PRODUCTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

13. Intangible assets *(continued)*

Company	Positive goodwill £
Cost	
At 1 January 2021 and 31 December 2021	<u>144,972</u>
Amortisation	
At 1 January 2021 and 31 December 2021	<u>144,972</u>
Carrying amount	
At 1 January 2021 and 31 December 2021	<u>-</u>
At 31 December 2020	<u>-</u>

14. Tangible assets

Group	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 January 2021	5,318,097	183,323	165,430	59,077	5,725,927
Additions	422,284	-	-	80,251	502,535
At 31 December 2021	<u>5,740,381</u>	<u>183,323</u>	<u>165,430</u>	<u>139,328</u>	<u>6,228,462</u>
Depreciation					
At 1 January 2021	4,353,530	99,475	55,945	47,152	4,556,102
Charge for the year	212,971	12,577	27,371	4,703	257,622
At 31 December 2021	<u>4,566,501</u>	<u>112,052</u>	<u>83,316</u>	<u>51,855</u>	<u>4,813,724</u>
Carrying amount					
At 31 December 2021	<u>1,173,880</u>	<u>71,271</u>	<u>82,114</u>	<u>87,473</u>	<u>1,414,738</u>
At 31 December 2020	<u>964,567</u>	<u>83,848</u>	<u>109,485</u>	<u>11,925</u>	<u>1,169,825</u>

GARLAND PRODUCTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

14. Tangible assets *(continued)*

Company	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 January 2021	348,356	69,669	87,630	6,805	512,460
Additions	-	-	-	77,925	77,925
At 31 December 2021	<u>348,356</u>	<u>69,669</u>	<u>87,630</u>	<u>84,730</u>	<u>590,385</u>
Depreciation					
At 1 January 2021	306,753	10,450	21,908	6,202	345,313
Charge for the year	11,184	8,883	16,430	199	36,696
At 31 December 2021	<u>317,937</u>	<u>19,333</u>	<u>38,338</u>	<u>6,401</u>	<u>382,009</u>
Carrying amount					
At 31 December 2021	<u>30,419</u>	<u>50,336</u>	<u>49,292</u>	<u>78,329</u>	<u>208,376</u>
At 31 December 2020	<u>41,603</u>	<u>59,219</u>	<u>65,722</u>	<u>603</u>	<u>167,147</u>

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

Group	Plant and machinery £	Motor vehicles £	Total £
At 31 December 2021	<u>480,305</u>	<u>31,219</u>	<u>511,524</u>
At 31 December 2020	<u>490,017</u>	<u>41,625</u>	<u>531,642</u>

The company has no tangible assets held under finance lease or hire purchase agreements.

15. Investments

Group	Other investments other than loans £
Cost	
At 1 January 2021 and 31 December 2021	<u>48,000</u>
Impairment	
At 1 January 2021 and 31 December 2021	<u>-</u>
Carrying amount	
At 1 January 2021 and 31 December 2021	<u>48,000</u>
At 31 December 2020	<u>48,000</u>

GARLAND PRODUCTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

15. Investments *(continued)*

Company	Shares in group undertakings £	Other investments other than loans £	Total £
Cost			
At 1 January 2021 and 31 December 2021	293,107	48,000	341,107
Impairment			
At 1 January 2021 and 31 December 2021	-	-	-
Carrying amount			
At 1 January 2021 and 31 December 2021	293,107	48,000	341,107
At 31 December 2020	293,107	48,000	341,107

Subsidiaries, associates and other investments

Details of the investments in which the group and the parent company have an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
Glendenning Plastics Limited	Ordinary	100
Glendenning Mouldings Limited	Ordinary	100
Worth Gardening Limited	Ordinary	75

16. Stocks

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Raw materials and consumables	88,814	73,867	-	-
Finished goods and goods for resale	2,174,255	1,988,716	725,714	732,768
	<u>2,263,069</u>	<u>2,062,583</u>	<u>725,714</u>	<u>732,768</u>

17. Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	2,509,241	1,856,201	2,119,269	1,495,426
Amounts owed by group undertakings	-	-	547,464	698,087
Prepayments and accrued income	214,965	113,191	26,190	2,736
Other debtors	-	2,467	125,520	140,632
	<u>2,724,206</u>	<u>1,971,859</u>	<u>2,818,443</u>	<u>2,336,881</u>

GARLAND PRODUCTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

18. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	1,733,140	858,496	617,737	366,368
Amounts owed to group undertakings	-	-	1,470,754	1,193,682
Accruals and deferred income	533,281	426,150	256,027	136,053
Corporation tax	80,568	263,554	17,358	126,356
Social security and other taxes	55,391	209,627	-	-
Obligations under finance leases and hire purchase contracts	130,888	138,425	-	-
Director loan accounts	13,215	13,622	13,215	13,622
Other creditors	34,100	34,100	34,100	34,100
	<u>2,580,583</u>	<u>1,943,974</u>	<u>2,409,191</u>	<u>1,870,181</u>

Obligations under finance leases and hire purchase contracts are secured by a legal charge on certain assets of the group.

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Accruals and deferred income	50,976	57,348	-	-
Obligations under finance leases and hire purchase contracts	299,945	303,087	-	-
	<u>350,921</u>	<u>360,435</u>	<u>-</u>	<u>-</u>

Obligations under finance leases and hire purchase contracts are secured by a legal charge on certain assets of the group.

20. Finance leases and hire purchase contracts

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Not later than 1 year	141,340	142,137	-	-
Later than 1 year and not later than 5 years	314,881	316,312	-	-
	<u>456,221</u>	<u>458,449</u>	<u>-</u>	<u>-</u>
Less: future finance charges	(25,388)	(16,937)	-	-
Present value of minimum lease payments	<u>430,833</u>	<u>441,512</u>	<u>-</u>	<u>-</u>

GARLAND PRODUCTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

21. Provisions

Group	Deferred tax (note 22) £
At 1 January 2021	146,990
Additions	103,415
At 31 December 2021	<u>250,405</u>

The company does not have any provisions.

22. Deferred tax

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Included in provisions (note 21)	<u>250,405</u>	<u>146,990</u>	<u>-</u>	<u>-</u>

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Accelerated capital allowances	<u>250,405</u>	<u>146,990</u>	<u>-</u>	<u>-</u>

Deferred taxation is based on a corporation tax rate of 25% (2020 : 19%).

23. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £130,165 (2020: £111,365).

24. Government grants

The amounts recognised in the Group Financial Statements for government grants are as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Recognised in other operating income:				
Government grants recognised directly in income	<u>15,964</u>	<u>202,793</u>	<u>-</u>	<u>-</u>

GARLAND PRODUCTS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

25. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

26. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

27. Analysis of changes in net debt

	At 1 Jan 2021 £	Cash flows £	New finance leases £	Other changes £	At 31 Dec 2021 £
Cash at bank and in hand	1,655,714	30,196		-	1,685,910
Debt due within one year	(152,047)	138,841	(23,758)	(107,139)	(144,103)
Debt due after one year	(303,087)	-	(103,997)	107,139	(299,945)
	<u>1,200,580</u>	<u>169,037</u>	<u>(127,755)</u>	<u>-</u>	<u>1,241,862</u>

28. Operating leases

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

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Not later than 1 year	557,176	526,010	10,224	4,260
Later than 1 year and not later than 5 years	1,952,136	1,998,425	35,784	20,448
Later than 5 years	1,586,928	1,985,364	-	1,704
	<u>4,096,240</u>	<u>4,509,799</u>	<u>46,008</u>	<u>26,412</u>

A new operating lease commenced on 29 April 2022 with an annual commitment of £49,563 payable quarterly and total future minimum lease payments of £198,252, agreed by a group member.

GARLAND PRODUCTS LIMITED**NOTES TO THE GROUP FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 DECEMBER 2021****29. Directors' advances, credits and guarantees**

At the balance sheet date there was an amount due to the directors of £13,215 (2020 : £13,622).

30. Related party transactions**Company**

The company has a minority shareholding in GW3156 Limited. The directors, R S Glendenning and H M Glendenning, are also directors and minority shareholders of GW3156 Limited.

During the year, the group sold goods, in arms-length transactions, for a value of £422,888 (2020 : £289,957) to Mansign Mining Equipment Limited a subsidiary of GW3156 Limited. At 31 December 2021 Mansign Mining Equipment Limited owed the group £46,990 (2020 : £16,264).

The company has taken advantage of the exemption in FRS 102 s33.1A and has not disclosed in its consolidated accounts any transactions or balances between group entities which have been eliminated on consolidation.