

Company registration number 00981987 (England and Wales)

**CHARTERHOUSE HOLDINGS PLC**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

## **CHARTERHOUSE HOLDINGS PLC**

### **COMPANY INFORMATION**

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<b>Directors</b>	K Clayton J C Clayton I. F Clayton S W Ellis M G Carter R T. Hornbuckle M A Bartlett
<b>Secretary</b>	S W Ellis
<b>Company number</b>	00981987
<b>Registered office</b>	Oakridge Park Trent Lane Castle Donington Derby DE74 2PY
<b>Auditor</b>	UHY Hacker Young 14 Park Row Nottingham NG1 6GR
<b>Business address</b>	Oakridge Park Trent Lane Castle Donington Derby DE74 2PY
<b>Bankers</b>	HSBC Plc Donnington Court Pegasus Business Park Herald Way Castle Donnington DE74 2BU  Santander Business Banking Bridle Road Bootle L30 4GB

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## **CHARTERHOUSE HOLDINGS PLC**

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## **CHARTERHOUSE HOLDINGS PLC**

### **STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present the strategic report for the year ended 31 December 2022.

##### **Fair review of the business**

The company turnover increased by nearly 7% compared to 2021. The UK economy experienced mixed performance during 2022. While it showed signs of recovery from disruptions caused by COVID-19, increased logistics costs and exchange rate volatility, some beneficial changes in economic circumstances happened too late in the year to have significant impact on the year being reported. Inflationary pressures were and remain a concern, in part driven by energy costs, supply chain disruptions and cost increases for staff and material resources. Managing the impact of these issues presented several challenges but these were met and largely overcome. In this year under review, we continue to see demand recovery at variable rates by sector and technology.

##### **Principal risks and uncertainties**

The principal risks identified and reported on for 2021 remained for 2022. To economic uncertainty, currency instability and international freights however we can now add inflationary effects to the list. Margins did increase overall due to tight controls on supply chain costs, foreign exchange risks and purchase and selling prices. The company remains confident that product availability, strength of distribution and supply chain including product development will deliver continued success for the company, its staff, and stakeholders.

##### **Development and performance**

The company's liquidity position remains healthy. To combat supply chain issues and to take control of a strategic product sector the company routed some of its cash reserves to product stock holding. This guaranteed stock availability proved a successful move in a year when customers were experiencing inventory outages and so were looking for more reliable sources of supply. The company has long held a strong position in the marketplace and enjoyed its reputation as being a reliable partner for its customers. We expect this to continue into 2023 and beyond as experience and expertise are utilised to manage the environment and exploit new opportunities.

##### **Key performance indicators**

During the year the turnover increased to £31.7 million from £29.6 million. Another key performance indicator is gross margin, which increased to 34.9% (2021 - 31.5%).

## **CHARTERHOUSE HOLDINGS PLC**

### **STRATEGIC REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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##### **Other information and explanations**

At this time the company is seeing much uncertainty in the market. Interest rate increases are taking place with the objective of suppressing UK demand so reducing inflation. Supply chains are now dealing with easier logistics but reduced demand and so balancing procurement and inventory levels. Whilst Brexit factors have calmed, they remain a source of disruption to trade with Europe that is unhelpful. Our continued investment in modern systems, our strong financial foundations and our experienced and talented staff combine to make a company that is positioned to thrive and grow in partnership with all our customers and partners.

On behalf of the board

M G Carter

**Director**

21 June 2023

## **CHARTERHOUSE HOLDINGS PLC**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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

#### **Principal activities**

The principal activities during the year continued to be the sale of clothing through the Kustom Kit, Gamegear, Bargear, Formula Racing and Grizzly brands, and systems and support products for all aspects of the visual communication industry through the Xpres brand.

#### **Directors**

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

K Clayton  
J C Clayton  
L F Clayton  
S W Ellis  
M G Carter  
R L Hornbuckle  
M A Bartlett

#### **Results and dividends**

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £nil (2021 - £nil). The directors do not recommend payment of a final dividend.

#### **Financial instruments**

##### ***Financial risk management***

Our financial risk management objectives are to ensure sufficient working capital for the company. This is achieved by careful management of our cash balances and, where necessary, by obtaining short term overdraft finance. The company operates a balanced hedging strategy for the forward purchase of US Dollars to assist in cost of sales planning. Other than this, our use of financial instruments is not material for the assessment of the assets, liabilities, financial position and profit of the company.

#### **Auditor**

In accordance with the company's articles, a resolution proposing that UHY Hacker Young be reappointed as auditor of the company will be put at a General Meeting.

## **CHARTERHOUSE HOLDINGS PLC**

### **DIRECTORS' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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##### **Statement of directors' responsibilities**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**CHARTERHOUSE HOLDINGS PLC**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Statement of disclosure to auditor**

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

On behalf of the board

M G Carter

**Director**

21 June 2023



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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF CHARTERHOUSE HOLDINGS PLC**

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**Opinion**

We have audited the financial statements of Charterhouse Holdings PLC (the 'company') for the year ended 31 December 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

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**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF CHARTERHOUSE HOLDINGS PLC**

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**Other information**

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

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**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 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.

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**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF CHARTERHOUSE HOLDINGS PLC**

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**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.

Based on our understanding of the company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the Company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which noncompliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and profit.

Audit procedures performed included:

- review of the financial statement disclosures to underlying supporting documentation
- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls;
- obtaining an understanding of the entity's risk assessment process, including the risk of fraud
- designing our audit procedures to respond to our risk assessment;
- an understanding and testing of the assumptions in the recognition of revenue; and
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF CHARTERHOUSE HOLDINGS PLC**

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**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.

**Roger Merchant (Senior Statutory Auditor)**  
For and on behalf of UHY Hacker Young

27 June 2023

**Chartered Accountants**  
**Statutory Auditor**

**CHARTERHOUSE HOLDINGS PLC****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2022**

		<b>2022</b>	<b>2021</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
<b>Turnover</b>	<b>3</b>	31,716	29,644
Cost of sales		(20,625)	(20,292)
		<hr/>	<hr/>
<b>Gross profit</b>		11,091	9,352
Distribution costs		(3,392)	(2,922)
Administrative expenses		(6,896)	(5,900)
Other operating income		-	99
		<hr/>	<hr/>
<b>Operating profit</b>	<b>4</b>	803	629
Interest receivable and similar income	<b>7</b>	81	73
Interest payable and similar expenses	<b>8</b>	(115)	(13)
		<hr/>	<hr/>
<b>Profit before taxation</b>		769	689
Tax on profit	<b>9</b>	(142)	(226)
		<hr/>	<hr/>
<b>Profit for the financial year</b>		627	463
		<hr/> <hr/>	<hr/> <hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

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

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Profit for the year</b>	627	463
	<b>==</b>	<b>==</b>
<b>Other comprehensive income</b>		
Cash flow hedges (loss)/gain arising in the year	(543)	601
Tax relating to other comprehensive income	136	(123)
	<b>==</b>	<b>==</b>
<b>Other comprehensive income for the year</b>	(407)	478
	<b>==</b>	<b>==</b>
<b>Total comprehensive income for the year</b>	220	941
	<b>==</b>	<b>==</b>

**CHARTERHOUSE HOLDINGS PLC****BALANCE SHEET****AS AT 31 DECEMBER 2022**

		2022	2021
	Notes	£'000	£'000
<b>Fixed assets</b>			
Tangible assets	10	7,839	8,340
<b>Current assets</b>			
Stocks	12	12,241	7,850
Debtors falling due after one year	13	300	335
Debtors falling due within one year	13	7,089	6,283
Cash at bank and in hand		5,615	9,216
		<u>25,245</u>	<u>23,684</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(3,850)</u>	<u>(2,804)</u>
<b>Net current assets</b>		<u>21,395</u>	<u>20,880</u>
<b>Total assets less current liabilities</b>		<u>29,234</u>	<u>29,220</u>
<b>Provisions for liabilities</b>	15	<u>(140)</u>	<u>(345)</u>
<b>Net assets</b>		<u><u>29,094</u></u>	<u><u>28,875</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	60	60
Hedging reserve	18	(295)	113
Profit and loss reserves	18	29,329	28,702
<b>Total equity</b>		<u><u>29,094</u></u>	<u><u>28,875</u></u>

The financial statements were approved by the board of directors and authorised for issue on 21 June 2023 and are signed on its behalf by:

M G Carter  
**Director**

**Company Registration No. 00981987**

**CHARTERHOUSE HOLDINGS PLC**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital	Hedging reserve	Profit and loss reserves	Total
	£'000	£'000	£'000	£'000
<b>Balance at 1 January 2021</b>	60	(365)	28,239	27,934
<b>Year ended 31 December 2021:</b>				
Profit for the year	-	-	463	463
Other comprehensive income:				
Cash flow hedges gains/ (losses)	-	601	-	601
Tax relating to other comprehensive income	-	(123)	-	(123)
Total comprehensive income for the year	-	478	463	941
<b>Balance at 31 December 2021</b>	60	113	28,702	28,875
<b>Year ended 31 December 2022:</b>				
Profit for the year	-	-	627	627
Other comprehensive income:				
Cash flow hedges gains/ (losses)	-	(543)	-	(543)
Tax relating to other comprehensive income	-	136	-	136
Total comprehensive income for the year	-	(407)	627	220
<b>Balance at 31 December 2022</b>	60	(295)	29,329	29,094



**CHARTERHOUSE HOLDINGS PLC**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	23		(2,894)		(252)
Interest paid			(115)		(13)
Income taxes refunded			80		58
<b>Net cash outflow from operating activities</b>			(2,929)		(207)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(102)		(536)	
Proceeds on disposal of tangible fixed assets		85		62	
Repayment of other loans		15		1,682	
Issue of other loans		(751)		(2,358)	
Interest received		81		73	
<b>Net cash used in investing activities</b>			(672)		(1,077)
<b>Net decrease in cash and cash equivalents</b>			(3,601)		(1,284)
Cash and cash equivalents at beginning of year			9,216		10,500
<b>Cash and cash equivalents at end of year</b>			5,615		9,216

## CHARTERHOUSE HOLDINGS PLC

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

##### Company information

Charterhouse Holdings PLC is a private company limited by shares incorporated in England and Wales. The registered office is Oakridge Park, Trent Lane, Castle Donington, Derby, DE74 2PY.

##### 1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Group accounts have not been prepared as the company's dormant subsidiary is permitted to be excluded from group accounts by virtue of sections 402 and 405 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

##### 1.2 Going concern

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

##### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

##### 1.4 Tangible fixed assets

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	1% per annum straight line on building element
Plant and machinery	10% - 20% per annum straight line
Motor vehicles	25% per annum straight line

## CHARTERHOUSE HOLDINGS PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### **1 Accounting policies**

**(Continued)**

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

##### **1.5 Fixed asset investments**

Fixed asset investments are stated at cost less provision for diminution in value.

##### **1.6 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

##### **1.7 Stocks**

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

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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

##### **1.8 Cash at bank and in hand**

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

##### **1.9 Financial instruments**

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

## CHARTERHOUSE HOLDINGS PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

##### *Basic financial assets*

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

##### *Basic financial liabilities*

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

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

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

##### 1.10 Hedge accounting

The company has entered into foreign currency forward contracts to manage its exposure to fluctuations in the foreign currency exchange rates. These derivatives are measured at fair value at each reporting date. To the extent the hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the period.

##### 1.11 Taxation

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

##### *Current tax*

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

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

## CHARTERHOUSE HOLDINGS PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### **1 Accounting policies**

(Continued)

##### **1.12 Employee benefits**

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

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

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

##### **1.13 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

##### **1.14 Foreign exchange**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

##### **1.15 Operating leases**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **2 Judgements and key sources of estimation uncertainty**

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

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

In the opinion of the directors, there are no special disclosures required in respect of judgements and estimation uncertainty.

**CHARTERHOUSE HOLDINGS PLC****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022****3 Turnover and other revenue**

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

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Turnover</b>		
Goods sold	31,718	29,644
	<b>=====</b>	<b>=====</b>
<b>Other significant revenue</b>		
Interest income	81	73
Grants received	-	99
	<b>=====</b>	<b>=====</b>

Included in turnover and profit before tax is a level of exported turnover. In the opinion of the directors, the disclosures of separate segmental information in compliance with FRS102 and the Companies Act 2006, would be seriously prejudicial to the interest of the company and has therefore not been disclosed.

**4 Operating profit**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	529	71
Government grants received - furlough income	-	(99)
Fees payable to the company's auditor for the audit of the company's financial statements	33	34
Depreciation of owned tangible fixed assets	603	617
Profit on disposal of tangible fixed assets	(85)	(62)
	<b>=====</b>	<b>=====</b>

**5 Employees**

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

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Administration, sales and distribution	94	92
	<b>=====</b>	<b>=====</b>

**CHARTERHOUSE HOLDINGS PLC**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**5 Employees** **(Continued)**

Their aggregate remuneration comprised:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	4,111	3,941
Social security costs	442	413
Pension costs	158	145
	<u>5,603</u>	<u>5,136</u>

**6 Directors' remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Remuneration for qualifying services	1,909	1,729

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2021 - 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Remuneration for qualifying services	481	305
Company pension contributions to defined contribution schemes	7	7

**7 Interest receivable and similar income**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Interest income</b>		
Interest on bank deposits	81	73

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	81	73
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**CHARTERHOUSE HOLDINGS PLC**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**8 Interest payable and similar expenses**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts	115	13
	<u>115</u>	<u>13</u>

**9 Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	214	209
Adjustments in respect of prior periods	(3)	(2)
	<u>211</u>	<u>207</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(69)	19
	<u>(69)</u>	<u>19</u>
<b>Total tax charge</b>	<u>142</u>	<u>226</u>

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

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Profit before taxation</b>	<u>769</u>	<u>689</u>
<b>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)</b>	<b>146</b>	<b>131</b>
Tax effect of expenses that are not deductible in determining taxable profit	6	14
Adjustments in respect of prior years	(3)	(2)
Other	(7)	-
Changes in the rates of deferred tax	-	83
	<u>142</u>	<u>226</u>
<b>Taxation charge for the year</b>	<u>142</u>	<u>226</u>



**CHARTERHOUSE HOLDINGS PLC**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**9 Taxation**

**(Continued)**

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Deferred tax arising on:		
Revaluation of financial instruments treated as cash flow hedges	(136)	123

**10 Tangible fixed assets**

	<b>Freehold buildings</b>	<b>Plant and machinery</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>				
At 1 January 2022	6,903	3,678	988	11,569
Additions	69	8	25	102
Disposals	-	-	(105)	(105)
At 31 December 2022	6,972	3,686	908	11,566
<b>Depreciation and impairment</b>				
At 1 January 2022	801	1,981	447	3,229
Depreciation charged in the year	66	295	242	603
Eliminated in respect of disposals	-	-	(105)	(105)
At 31 December 2022	867	2,276	584	3,727
<b>Carrying amount</b>				
At 31 December 2022	6,105	1,410	324	7,839
At 31 December 2021	6,102	1,697	541	8,340

**CHARTERHOUSE HOLDINGS PLC**

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

**11 Financial instruments**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	6,871	5,361
Instruments measured at fair value	-	150
	<b>=====</b>	<b>=====</b>
<b>Carrying amount of financial liabilities</b>		
Measured at fair value through profit or loss		
- Other financial liabilities	393	-
Measured at amortised cost	2,440	2,475
	<b>=====</b>	<b>=====</b>

**12 Stocks**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Finished goods and goods for resale	12,241	7,850
	<b>=====</b>	<b>=====</b>

**13 Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	2,640	2,811
Derivative financial instruments	-	150
Other debtors	3,931	2,785
Prepayments and accrued income	518	537
	<b>=====</b>	<b>=====</b>
	7,089	6,283
	<b>=====</b>	<b>=====</b>
<b>Amounts falling due after more than one year:</b>		
Other debtors	300	335
	<b>=====</b>	<b>=====</b>
<b>Total debtors</b>	<b>7,389</b>	<b>6,618</b>
	<b>=====</b>	<b>=====</b>

Included within other debtors there are balances in respect of amounts owed by directors, see Note 23 for further details.

**CHARTERHOUSE HOLDINGS PLC**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**14 Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	1,772	1,846
Corporation tax	501	209
Other taxation and social security	516	120
Derivative financial instruments	393	-
Other creditors	78	4
Accruals and deferred income	590	625
	<u>3,850</u>	<u>2,804</u>

Derivative financial instruments represent the fair value of foreign exchange contracts in existence but not settled at the balance sheet date.

**15 Provisions for liabilities**

	<b>Notes</b>	<b>2022</b>	<b>2021</b>
		<b>£'000</b>	<b>£'000</b>
Deferred tax liabilities	<b>16</b>	<u>140</u>	<u>345</u>

**16 Deferred taxation**

	<b>Liabilities</b>	<b>Liabilities</b>
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Balances:</b>		
Accelerated capital allowances	242	309
Short term timing differences	(3)	(1)
Hedging	(99)	37
	<u>140</u>	<u>345</u>
	<u></u>	<u></u>
<b>Movements in the year:</b>		<b>2022</b>
		<b>£'000</b>
Liability at 1 January 2022		345
Credit to profit or loss		(69)
Credit to other comprehensive income		(136)
		<u></u>
Liability at 31 December 2022		<u>140</u>

**CHARTERHOUSE HOLDINGS PLC****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022**

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**16 Deferred taxation (Continued)**

The deferred tax liability set out above is expected to reverse within 2-3 years.

**17 Share capital**

	2022	2021
	£'000	£'000
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
60,329 Ordinary shares of £'0001 each	60	60
	<u>60</u>	<u>60</u>

**18 Reserves****Profit and loss reserves**

This comprises of opening retained earnings, the profit or loss for the year and dividends paid as set out in the Statement of Changes in Equity.

**Hedging reserve**

This comprises the effective portion of the company applying hedge accounting. The amount in reserves relates to gains/losses made on cash flow hedges.

**19 Operating lease commitments**

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

	2022	2021
	£'000	£'000
Within one year	38	47
Between two and five years	9	47
	<u>47</u>	<u>94</u>
	<u>47</u>	<u>94</u>

## CHARTERHOUSE HOLDINGS PLC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

#### 20 Related party transactions

##### Dividends

No dividends were paid out in the current or prior year.

##### Remuneration of key management personnel

The aggregate remuneration of key management personnel, including directors, was £1,909k (2021 - £1,741k).

##### Transactions with related parties

During the year, the company paid £240k (2021 - £270k) to sponsor BeFastr Limited (previously Luke Clayton Racing Limited), L F Clayton is a director of this company. At the balance sheet date, the company prepaid £240k (2021 - £180k) of costs from BeFastr Limited. The company also made sales to BeFastr Limited which totalled £55k (2021 - £34k) and were owed £50k (2021 - £41k) as at the year end per their aged debtor account.

#### 21 Directors' transactions

Transactions to/(from) directors in the year have been amalgamated in the table below:

Description	% Rate	Opening balance £'000	Amounts advanced £'000	Interest charged £'000	Amounts repaid £'000	Closing balance £'000
L F Clayton - Loan to director	3.00	2,359	677	74	(15)	3,095

The above balances in respect of loans to directors are included within Other debtors, see Note 13.

#### 22 Ultimate controlling party

The company is controlled by the trustees of the Maurice Ford Clayton Discretionary Will Trust and the Maurice Ford Clayton No. 1 Trust, Mrs K Clayton, Mr L F Clayton and Dr J C Clayton.

**CHARTERHOUSE HOLDINGS PLC**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**23 Cash absorbed by operations**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Profit for the year after tax	627	463
<b>Adjustments for:</b>		
Taxation charged	142	226
Finance costs	115	13
Investment income	(81)	(73)
Gain on disposal of tangible fixed assets	(85)	(62)
Depreciation and impairment of tangible fixed assets	603	617
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(4,391)	141
Increase in debtors	(185)	(617)
Increase/(decrease) in creditors	361	(960)
<b>Cash absorbed by operations</b>	<b>(2,894)</b>	<b>(252)</b>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.