

**STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023
FOR
COLENA LTD.**

Tattersall Bailey
Chartered Accountants
& Registered Auditors
14A Main Street
Cockermouth
Cumbria
CA13 9LQ

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FOR THE YEAR ENDED 31 JULY 2023**

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COLENA LTD.

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2023**

DIRECTOR: J C P Ross

SECRETARY: M A Lucy

REGISTERED OFFICE: Unit 9
Jupiter Court
Orion Business Park
North Shields
Tyne and Wear
NE29 7SE

REGISTERED NUMBER: 05819252 (England and Wales)

SENIOR STATUTORY AUDITOR: Luke Tattersall

AUDITORS: Tattersall Bailey
Chartered Accountants
& Registered Auditors
14A Main Street
Cockermouth
Cumbria
CA13 9LQ

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2023**

The director presents his strategic report for the year ended 31 July 2023.

REVIEW OF BUSINESS

The Company had a successful year, with sales growing by 73% from £10.96m in 2022 to £18.91m in 2023. This growth was driven by a core strategy of repeat business, word of mouth marketing, and effective online strategies.

The Company's strong position in the marketplace, which is measured through proprietary knowledge and access to the drone sector, combined with evidence gathering, is a testament to its success.

The Company plans to maintain this position by building and maneuvering its strategy in line with data while remaining cautious.

PRINCIPAL RISKS AND UNCERTAINTIES

The main risks and uncertainties faced by the Company are competition, supply line management/diversity, and the Civil Aviation Authority (CAA) regulatory environment. The director is aware of these risks and is taking measures to mitigate them.

KEY PERFORMANCE INDICATORS

The company is focusing on EBITDA, access to new vertical sectors, ROI per project, acquisition of large enterprise clients, and employee retention and development.

These indicators will help the Company measure its financial success while also ensuring that it maintains a motivated and skilled workforce.

ON BEHALF OF THE BOARD:

J C P Ross - Director

30 April 2024

COLENA LTD. (REGISTERED NUMBER: 05819252)

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 JULY 2023**

The director presents his report with the financial statements of the company for the year ended 31 July 2023.

PRINCIPAL ACTIVITY

The principal activities of the company in the year under review were in the drone industry, including:

- The sale of drones and ancillary items to consumers, businesses and public bodies
- Repairing and providing technical support
- The provision of training in the piloting of drones
- Hire of drones to third parties
- Research and development

DIVIDENDS

Interim dividends per share were paid as follows:

Ordinary £1 shares	£36,200	-
'A' Ordinary Shares £1 shares	NIL	
'B' Ordinary Shares £1 shares	£49,900	-

The director recommends that no final dividends be paid.

The total distribution of dividends for the year ended 31 July 2023 will be £ 86,100 .

Date of payment	Share Class	Amount
31/08/2022	Ordinary £1.00	£34,200
31/08/2022	'B' Ordinary £1.00	£41,950
31/07/2023	Ordinary £1.00	£2,000
31/07/2023	'B' Ordinary £1.00	£7,950

RESEARCH AND DEVELOPMENT

The Company has created a R&D division to explore the value of enabling technologies in support and development of the pillars that have driven the drone sector.

FUTURE DEVELOPMENTS

The Company plans to leverage R&D competency to continue to develop core skill-sets inside the business and thus position ourselves for future potential applications within the drone sector.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTOR

J C P Ross held office during the whole of the period from 1 August 2022 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

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

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 JULY 2023**

STATEMENT OF DIRECTOR'S RESPONSIBILITIES - continued

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Tattersall Bailey, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

J C P Ross - Director

30 April 2024

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COLENA LTD.

Opinion

We have audited the financial statements of Colena Ltd. (the 'company') for the year ended 31 July 2023 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, 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 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 July 2023 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 Auditors' 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 director's 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 director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:

- the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COLENA LTD.

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 Report of the Director.

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on pages three and four, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and its industry, we identified the principal risks of non-compliance with laws and regulations related to breaches of employment, health and safety and Civil Aviation Authority regulations. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated the 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 management bias in accounting estimates and judgements. Appropriate audit procedures in response to such risks were shared with the team and included in their work. Audit procedures performed by the team included:

- Discussions with management;
- Reviewing correspondence with the relevant regulatory authorities;
- Identifying journals posted with unusual account combinations or posted by senior management; and
- Challenging assumptions and judgements made by management in their significant accounting estimates and judgements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
COLENA LTD.**

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 a Report of the Auditors 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.

Luke Tattersall (Senior Statutory Auditor)
for and on behalf of Tattersall Bailey
Chartered Accountants
& Registered Auditors
14A Main Street
Cockermouth
Cumbria
CA13 9LQ

30 April 2024

COLENA LTD. (REGISTERED NUMBER: 05819252)**INCOME STATEMENT
FOR THE YEAR ENDED 31 JULY 2023**

	Notes	31.7.23 £	31.7.22 £
TURNOVER		18,911,660	10,961,941
Cost of sales		<u>12,374,100</u>	<u>7,121,671</u>
GROSS PROFIT		6,537,560	3,840,270
Administrative expenses		<u>1,956,075</u>	<u>1,678,053</u>
		4,581,485	2,162,217
Other operating income		<u>11,646</u>	<u>28,062</u>
OPERATING PROFIT	4	4,593,131	2,190,279
Interest receivable and similar income		<u>36,799</u>	<u>1,983</u>
		4,629,930	2,192,262
Interest payable and similar expenses	5	<u>13,519</u>	<u>8,138</u>
PROFIT BEFORE TAXATION		4,616,411	2,184,124
Tax on profit	6	<u>942,312</u>	<u>365,098</u>
PROFIT FOR THE FINANCIAL YEAR		<u>3,674,099</u>	<u>1,819,026</u>

The notes form part of these financial statements

COLENA LTD. (REGISTERED NUMBER: 05819252)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2023**

	31.7.23 £	31.7.22 £
Notes		
PROFIT FOR THE YEAR	3,674,099	1,819,026
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>3,674,099</u>	<u>1,819,026</u>

The notes form part of these financial statements

COLENA LTD. (REGISTERED NUMBER: 05819252)

BALANCE SHEET
31 JULY 2023

	Notes	31.7.23 £	£	31.7.22 £	£
FIXED ASSETS					
Tangible assets	8		1,030,442		861,996
CURRENT ASSETS					
Stocks	9	1,352,375		1,591,787	
Debtors	10	2,124,243		1,226,097	
Cash at bank		<u>7,423,809</u>		<u>4,002,016</u>	
		10,900,427		6,819,900	
CREDITORS					
Amounts falling due within one year	11	<u>1,892,632</u>		<u>1,313,817</u>	
NET CURRENT ASSETS			<u>9,007,795</u>		<u>5,506,083</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			10,038,237		6,368,079
CREDITORS					
Amounts falling due after more than one year	12		(184,152)		(199,550)
PROVISIONS FOR LIABILITIES	15		(174,815)		(95,612)
ACCRUALS AND DEFERRED INCOME	16		(18,354)		-
NET ASSETS			<u>9,660,916</u>		<u>6,072,917</u>
CAPITAL AND RESERVES					
Called up share capital	17		300		300
Retained earnings	18		<u>9,660,616</u>		<u>6,072,617</u>
SHAREHOLDERS' FUNDS			<u>9,660,916</u>		<u>6,072,917</u>

The financial statements were approved by the director and authorised for issue on 30 April 2024 and were signed by:

J C P Ross - Director

COLENA LTD. (REGISTERED NUMBER: 05819252)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2023**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 August 2021	300	4,310,091	4,310,391
Changes in equity			
Dividends	-	(56,500)	(56,500)
Total comprehensive income	-	1,819,026	1,819,026
Balance at 31 July 2022	<u>300</u>	<u>6,072,617</u>	<u>6,072,917</u>
Changes in equity			
Dividends	-	(86,100)	(86,100)
Total comprehensive income	-	3,674,099	3,674,099
Balance at 31 July 2023	<u>300</u>	<u>9,660,616</u>	<u>9,660,916</u>

The notes form part of these financial statements

COLENA LTD. (REGISTERED NUMBER: 05819252)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2023**

	Notes	31.7.23 £	31.7.22 £
Cash flows from operating activities			
Cash generated from operations	1	4,433,423	1,910,916
Interest paid		(13,519)	(8,138)
Tax paid		(631,679)	(282,732)
Government grants		11,646	28,062
Net cash from operating activities		<u>3,799,871</u>	<u>1,648,108</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(350,572)	(416,730)
Sale of tangible fixed assets		32,565	-
Interest received		36,799	1,983
Net cash from investing activities		<u>(281,208)</u>	<u>(414,747)</u>
Cash flows from financing activities			
Loan repayments in year		(16,558)	(18,141)
Amount introduced by directors		5,788	-
Amount withdrawn by directors		-	(1,427)
Equity dividends paid		(86,100)	(56,500)
Net cash from financing activities		<u>(96,870)</u>	<u>(76,068)</u>
Increase in cash and cash equivalents		<u>3,421,793</u>	<u>1,157,293</u>
Cash and cash equivalents at beginning of year	2	4,002,016	2,844,723
Cash and cash equivalents at end of year	2	<u>7,423,809</u>	<u>4,002,016</u>

The notes form part of these financial statements

COLENA LTD. (REGISTERED NUMBER: 05819252)

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2023**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.7.23	31.7.22
	£	£
Profit before taxation	4,616,411	2,184,124
Depreciation charges	159,176	106,228
(Profit)/loss on disposal of fixed assets	(9,614)	164,605
Government grants	(11,646)	(28,062)
Finance costs	13,519	8,138
Finance income	<u>(36,799)</u>	<u>(1,983)</u>
	4,731,047	2,433,050
Decrease/(increase) in stocks	239,412	(445,073)
Increase in trade and other debtors	(903,934)	(128,466)
Increase in trade and other creditors	<u>366,898</u>	<u>51,405</u>
Cash generated from operations	<u><u>4,433,423</u></u>	<u><u>1,910,916</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 July 2023

	31.7.23	1.8.22
	£	£
Cash and cash equivalents	<u>7,423,809</u>	<u>4,002,016</u>

Year ended 31 July 2022

	31.7.22	1.8.21
	£	£
Cash and cash equivalents	<u>4,002,016</u>	<u>2,844,723</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.8.22	Cash flow	At 31.7.23
	£	£	£
Net cash			
Cash at bank	<u>4,002,016</u>	<u>3,421,793</u>	<u>7,423,809</u>
	<u>4,002,016</u>	<u>3,421,793</u>	<u>7,423,809</u>
Debt			
Debts falling due within 1 year	(17,713)	1,159	(16,554)
Debts falling due after 1 year	(199,550)	15,398	(184,152)
	<u>(217,263)</u>	<u>16,557</u>	<u>(200,706)</u>
Total	<u><u>3,784,753</u></u>	<u><u>3,438,350</u></u>	<u><u>7,223,103</u></u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of these financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historic experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) ESTABLISHING USEFUL ECONOMIC LIVES FOR DEPRECIATION PURPOSES OF PROPERTY, PLANT AND EQUIPMENT

Long-lived assets, consisting primarily of goodwill, property, plant and equipment, comprise a significant portion of the total fixed assets. The annual depreciation and amortisation charges depend primarily on the useful economic lives of each type of asset. The director has reviewed these assets useful economic lives and deemed no adjustment is required to the remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in useful lives have a significant impact on depreciation and amortisation charges for the period. Detail of the useful economic lives is included in the accounting policies.

(b) INVENTORY PROVISIONING

The director has reviewed stocks at the year end and has written off any obsolete items. Slow moving items have been written down based on the estimated net realisable value based upon market conditions and historical experience.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Long leasehold	- 2% on cost
Plant & machinery	- 20% on reducing balance
Equipment for rent	- 25% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2023

2. ACCOUNTING POLICIES - continued

Government grants

Grants relating to revenue are recognised as income on a systematic basis over the periods in which the related costs for which the grant is intended to compensate.

Grants relating to assets are recognised as 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.

Stocks

Stocks are stated 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 stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

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

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

COLENA LTD. (REGISTERED NUMBER: 05819252)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2023**

3. EMPLOYEES AND DIRECTORS

	31.7.23	31.7.22
	£	£
Wages and salaries	1,015,496	797,238
Social security costs	99,160	73,778
Other pension costs	<u>24,402</u>	<u>20,904</u>
	<u><u>1,139,058</u></u>	<u><u>891,920</u></u>

The average number of employees during the year was as follows:

	31.7.23	31.7.22
Management	3	3
Sales	6	8
Training	8	6
Logistics	2	3
Technical	4	3
Digital	2	2
Research and development	4	2
Finance	<u>1</u>	<u>-</u>
	<u><u>30</u></u>	<u><u>27</u></u>

	31.7.23	31.7.22
	£	£
Director's remuneration	13,288	13,169
Director's pension contributions to money purchase schemes	<u>2,400</u>	<u>2,400</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u><u>1</u></u>	<u><u>1</u></u>
------------------------	-----------------	-----------------

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.7.23	31.7.22
	£	£
Depreciation - owned assets	159,175	106,228
(Profit)/loss on disposal of fixed assets	(9,614)	164,605
Auditors' remuneration	12,000	12,000
Foreign exchange differences	<u>13,553</u>	<u>14,059</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.7.23	31.7.22
	£	£
Mortgage interest	13,503	8,138
Interest on late tax payment	<u>16</u>	<u>-</u>
	<u><u>13,519</u></u>	<u><u>8,138</u></u>

COLENA LTD. (REGISTERED NUMBER: 05819252)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2023**

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.7.23	31.7.22
	£	£
Current tax:		
UK corporation tax	863,109	344,989
Prior year taxation adjustment	-	(8,902)
Total current tax	<u>863,109</u>	<u>336,087</u>
Deferred tax charge (credit)	<u>79,203</u>	<u>29,011</u>
Tax on profit	<u><u>942,312</u></u>	<u><u>365,098</u></u>

UK corporation tax has been charged at 25% (2022 - 19%).

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.7.23	31.7.22
	£	£
Profit before tax	<u>4,616,411</u>	<u>2,184,124</u>
Profit multiplied by the standard rate of corporation tax in the UK of 25% (2022 - 19%)	1,154,103	414,984
Effects of:		
Expenses not deductible for tax purposes	5,175	245
Enhanced research and development	(74,606)	(24,030)
Enhanced capital allowances	(10,344)	(22,539)
Ineligible depreciation	1,926	1,733
Prior year tax adjustments for Corporation Tax refunds	-	(8,902)
Prior year adjustment for deferred tax	-	3,607
Effect of change in rate of Corporation Tax	<u>(133,942)</u>	<u>-</u>
Total tax charge	<u><u>942,312</u></u>	<u><u>365,098</u></u>

7. DIVIDENDS

	31.7.23	31.7.22
	£	£
Ordinary shares of £1 each		
Interim	36,200	24,000
'B' Ordinary Shares shares of £1 each		
Interim	<u>49,900</u>	<u>32,500</u>
	<u><u>86,100</u></u>	<u><u>56,500</u></u>

COLENA LTD. (REGISTERED NUMBER: 05819252)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2023**

8. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant & machinery £	Equipment for rent £
COST			
At 1 August 2022	385,092	137,596	432,369
Additions	-	87,803	132,380
Disposals	-	(21,315)	-
At 31 July 2023	<u>385,092</u>	<u>204,084</u>	<u>564,749</u>
DEPRECIATION			
At 1 August 2022	46,211	24,880	154,203
Charge for year	7,702	27,087	85,497
Eliminated on disposal	-	(1,421)	-
At 31 July 2023	<u>53,913</u>	<u>50,546</u>	<u>239,700</u>
NET BOOK VALUE			
At 31 July 2023	<u>331,179</u>	<u>153,538</u>	<u>325,049</u>
At 31 July 2022	<u>338,881</u>	<u>112,716</u>	<u>278,166</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 August 2022	114,137	104,721	38,332	1,212,247
Additions	21,104	87,945	21,340	350,572
Disposals	-	(20,106)	-	(41,421)
At 31 July 2023	<u>135,241</u>	<u>172,560</u>	<u>59,672</u>	<u>1,521,398</u>
DEPRECIATION				
At 1 August 2022	55,061	44,473	25,423	350,251
Charge for year	11,736	21,478	5,675	159,175
Eliminated on disposal	-	(17,049)	-	(18,470)
At 31 July 2023	<u>66,797</u>	<u>48,902</u>	<u>31,098</u>	<u>490,956</u>
NET BOOK VALUE				
At 31 July 2023	<u>68,444</u>	<u>123,658</u>	<u>28,574</u>	<u>1,030,442</u>
At 31 July 2022	<u>59,076</u>	<u>60,248</u>	<u>12,909</u>	<u>861,996</u>

Tangible fixed assets with a net book value of £331,179 (2022:- £338,881) have been pledged as security for liabilities of the company.

9. STOCKS

	31.7.23	31.7.22
	£	£
Stocks	<u>1,352,375</u>	<u>1,591,787</u>

COLENA LTD. (REGISTERED NUMBER: 05819252)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2023**

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	31.7.23	31.7.22
	£	£
Trade debtors	1,198,034	1,082,250
Other debtors	44,933	30,844
Shareholder loan account	64,723	24,665
Directors' current accounts	66,446	72,234
Prepayments	750,107	16,104
	<u>2,124,243</u>	<u>1,226,097</u>
11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	31.7.23	31.7.22
	£	£
Bank loans and overdrafts (see note 13)	16,554	17,713
Trade creditors	919,091	817,437
Corporation tax provision	553,353	321,923
Social security and other taxes	29,362	22,869
VAT	265,452	21,482
Other creditors	87,250	90,370
Accrued expenses	21,570	22,023
	<u>1,892,632</u>	<u>1,313,817</u>
12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	31.7.23	31.7.22
	£	£
Bank loans (see note 13)	<u>184,152</u>	<u>199,550</u>
13. LOANS		
An analysis of the maturity of loans is given below:		
	31.7.23	31.7.22
	£	£
Amounts falling due within one year or on demand:		
Bank loan - Mortgage < 1yr	<u>16,554</u>	<u>17,713</u>
Amounts falling due between one and two years:		
Bank loan - Mortgage 1-2 yrs	<u>16,554</u>	<u>17,713</u>
Amounts falling due between two and five years:		
Bank loan - Mortgage 2-5 yrs	<u>49,663</u>	<u>53,138</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loan - Mortgage >5 yrs in	<u>117,935</u>	<u>128,699</u>

COLENA LTD. (REGISTERED NUMBER: 05819252)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2023**

14. SECURED DEBTS

The following secured debts are included within creditors:

	31.7.23	31.7.22
	£	£
Bank loans	<u>200,706</u>	<u>217,263</u>

The bank mortgages are secured by:

- An unlimited debenture incorporating a fixed and floating charge over the Company assets.
- A first charge over the premises owned by the Company.

15. PROVISIONS FOR LIABILITIES

	31.7.23	31.7.22
	£	£
Deferred tax provision	<u>174,815</u>	<u>95,612</u>
		Deferred tax
		£
Balance at 1 August 2022		95,612
Accelerated capital allowances		<u>79,203</u>
Balance at 31 July 2023		<u>174,815</u>

16. ACCRUALS AND DEFERRED INCOME

	31.7.23	31.7.22
	£	£
Deferred government grants	<u>18,354</u>	<u>-</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.7.23	31.7.22
			£	£
100	Ordinary	£1	100	100
100	'A' Ordinary Shares	£1	100	100
100	'B' Ordinary Shares	£1	<u>100</u>	<u>100</u>
			<u>300</u>	<u>300</u>

18. RESERVES

	Retained earnings
	£
At 1 August 2022	6,072,617
Profit for the year	3,674,099
Dividends	<u>(86,100)</u>
At 31 July 2023	<u>9,660,616</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2023**

19. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 July 2023 and 31 July 2022:

	31.7.23	31.7.22
	£	£
J C P Ross		
Balance outstanding at start of year	96,899	103,405
Amounts advanced	34,270	-
Amounts repaid	-	(6,506)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>131,169</u>	<u>96,899</u>

The above aggregate amount relates to the loans advanced by the company to the director J C P Ross and a shareholder M A Lucy, who is a connected party.

The split of the amounts outstanding at the balance sheet date are:

	2023	2022
	£	£
J C P Ross	66,446	72,234
M A Lucy	64,723	24,665
	131,169	96,899

During the year the company charged interest at a rate of 2% and 2.25% per annum on the outstanding loans which are repayable on demand.

20. RELATED PARTY DISCLOSURES

J C P Ross

J C P Ross was a company director and shareholder during the year.

During the year dividends were paid to J C P Ross amounting to £36,200 (2022 - £24,000).

At the balance sheet date a loan of £66,446 (2022 - £72,234) was owed to the Company by J C P Ross. Interest was charged at a rates of 2% and 2.25% per annum on the loan which is repayable on demand.

M A Lucy

M A Lucy was a company shareholder during the year and is deemed to be connected to J C P Ross.

During the year dividends were paid to M A Lucy amounting to £49,900 (2022 - £32,500).

At the balance sheet date a loan of £64,723 (2022 - £24,665) was owed to the Company by M A Lucy. Interest was charged at a rate of 2% and 2.25% per annum on the loan which is repayable on demand.

21. POST BALANCE SHEET EVENTS

On 11 October 2023 the company completed a share buy back of 100 B Ordinary shares. The consideration for the transaction was £2,950,000.

22. ULTIMATE CONTROLLING PARTY

The controlling party is J C P Ross.

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