

**STRATEGIC REPORT, REPORT OF THE DIRECTOR AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022  
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 2022**

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**COLENA LTD.**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 JULY 2022**

**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 2022**

The director presents his strategic report for the year ended 31 July 2022.

**REVIEW OF BUSINESS**

The Company had a successful year, with sales growing by 27% from £8.61m in 2021 to £10.90m in 2022. 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

26 April 2023

**COLENA LTD. (REGISTERED NUMBER: 05819252)**

**REPORT OF THE DIRECTOR  
FOR THE YEAR ENDED 31 JULY 2022**

The director presents his report with the financial statements of the company for the year ended 31 July 2022.

**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	£21,500	- 31 August 2021
	£2,500	- 31 July 2022
	<u>£24,000</u>	
'A' Ordinary Shares £1 shares	NIL	
'B' Ordinary Shares £1 shares	£32,500	- 31 August 2021

The director recommends that no final dividends be paid.

The total distribution of dividends for the year ended 31 July 2022 will be £ 56,500 .

**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.

**DIRECTOR**

J C P Ross held office during the whole of the period from 1 August 2021 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 2022**

**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

26 April 2023

## **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 2022 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 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 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](http://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

26 April 2023

**COLENA LTD. (REGISTERED NUMBER: 05819252)****INCOME STATEMENT  
FOR THE YEAR ENDED 31 JULY 2022**

	Notes	31.7.22 £	31.7.21 £
<b>TURNOVER</b>		10,961,941	8,609,190
Cost of sales		<u>7,121,671</u>	<u>5,879,931</u>
<b>GROSS PROFIT</b>		3,840,270	2,729,259
Administrative expenses		<u>1,678,053</u>	<u>1,229,404</u>
		2,162,217	1,499,855
Other operating income		<u>28,062</u>	<u>11,159</u>
<b>OPERATING PROFIT</b>	4	2,190,279	1,511,014
Interest receivable and similar income		<u>1,983</u>	<u>2,940</u>
		2,192,262	1,513,954
Interest payable and similar expenses	5	<u>8,138</u>	<u>7,917</u>
<b>PROFIT BEFORE TAXATION</b>		2,184,124	1,506,037
Tax on profit	6	<u>365,098</u>	<u>272,048</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>1,819,026</u>	<u>1,233,989</u>

The notes form part of these financial statements

**COLENA LTD. (REGISTERED NUMBER: 05819252)**

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2022**

	31.7.22	31.7.21
Notes	£	£
<b>PROFIT FOR THE YEAR</b>	1,819,026	1,233,989
<b>OTHER COMPREHENSIVE INCOME</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	-	-
<b>FOR THE YEAR</b>	<u>1,819,026</u>	<u>1,233,989</u>

The notes form part of these financial statements

**COLENA LTD. (REGISTERED NUMBER: 05819252)**

**BALANCE SHEET  
31 JULY 2022**

	Notes	31.7.22 £	£	31.7.21 £	£
<b>FIXED ASSETS</b>					
Intangible assets	8		-		-
Tangible assets	9		<u>861,996</u>		<u>716,099</u>
			861,996		716,099
<b>CURRENT ASSETS</b>					
Stocks	10	1,591,787		1,146,714	
Debtors	11	1,226,097		1,096,204	
Cash at bank		<u>4,002,016</u>		<u>2,844,723</u>	
		6,819,900		5,087,641	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>1,313,817</u>		<u>1,209,205</u>	
<b>NET CURRENT ASSETS</b>			<u>5,506,083</u>		<u>3,878,436</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			6,368,079		4,594,535
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		(199,550)		(217,543)
<b>PROVISIONS FOR LIABILITIES</b>	16		<u>(95,612)</u>		<u>(66,601)</u>
<b>NET ASSETS</b>			<u>6,072,917</u>		<u>4,310,391</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		300		300
Retained earnings	18		<u>6,072,617</u>		<u>4,310,091</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>6,072,917</u>		<u>4,310,391</u>

The financial statements were approved by the director and authorised for issue on 26 April 2023 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 2022**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 August 2020</b>	300	3,174,369	3,174,669
<b>Changes in equity</b>			
Dividends	-	(98,267)	(98,267)
Total comprehensive income	-	1,233,989	1,233,989
<b>Balance at 31 July 2021</b>	<u>300</u>	<u>4,310,091</u>	<u>4,310,391</u>
<b>Changes in equity</b>			
Dividends	-	(56,500)	(56,500)
Total comprehensive income	-	1,819,026	1,819,026
<b>Balance at 31 July 2022</b>	<u>300</u>	<u>6,072,617</u>	<u>6,072,917</u>

The notes form part of these financial statements

**COLENA LTD. (REGISTERED NUMBER: 05819252)**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JULY 2022**

	Notes	31.7.22 £	31.7.21 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,910,916	1,474,524
Interest paid		(8,138)	(7,917)
Tax paid		(282,732)	(191,377)
Government grants		28,062	11,159
Net cash from operating activities		<u>1,648,108</u>	<u>1,286,389</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(416,730)	(101,756)
Interest received		1,983	2,940
Net cash from investing activities		<u>(414,747)</u>	<u>(98,816)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(18,141)	(17,864)
Amount introduced by directors		-	13,037
Amount withdrawn by directors		(1,427)	-
Equity dividends paid		(56,500)	(98,267)
Net cash from financing activities		<u>(76,068)</u>	<u>(103,094)</u>
<b>Increase in cash and cash equivalents</b>		<u>1,157,293</u>	<u>1,084,479</u>
<b>Cash and cash equivalents at beginning of year</b>	2	2,844,723	1,760,244
<b>Cash and cash equivalents at end of year</b>	2	<u>4,002,016</u>	<u>2,844,723</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 2022**

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

	31.7.22	31.7.21
	£	£
Profit before taxation	2,184,124	1,506,037
Depreciation charges	106,228	98,963
Loss on disposal of fixed assets	164,605	-
Government grants	(28,062)	(11,159)
Finance costs	8,138	7,917
Finance income	(1,983)	(2,940)
	<u>2,433,050</u>	<u>1,598,818</u>
Increase in stocks	(445,073)	(271,849)
Increase in trade and other debtors	(128,466)	(513,951)
Increase in trade and other creditors	51,405	661,506
<b>Cash generated from operations</b>	<u><u>1,910,916</u></u>	<u><u>1,474,524</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 2022**

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

**Year ended 31 July 2021**

	31.7.21	1.8.20
	£	£
Cash and cash equivalents	<u>2,844,723</u>	<u>1,760,244</u>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.8.21	Cash flow	At 31.7.22
	£	£	£
<b>Net cash</b>			
Cash at bank	<u>2,844,723</u>	<u>1,157,293</u>	<u>4,002,016</u>
	<u>2,844,723</u>	<u>1,157,293</u>	<u>4,002,016</u>
<b>Debt</b>			
Debts falling due within 1 year	(17,861)	148	(17,713)
Debts falling due after 1 year	(217,543)	17,993	(199,550)
	<u>(235,404)</u>	<u>18,141</u>	<u>(217,263)</u>
<b>Total</b>	<u><u>2,609,319</u></u>	<u><u>1,175,434</u></u>	<u><u>3,784,753</u></u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022

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.

**Goodwill**

Goodwill relates to the amount paid in connection with the acquisition of a business in 2006 and has been fully amortised.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2022

2. ACCOUNTING POLICIES - continued

**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

**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.

**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 2022**

**3. EMPLOYEES AND DIRECTORS**

	31.7.22	31.7.21
	£	£
Wages and salaries	797,238	657,598
Social security costs	73,778	57,592
Other pension costs	20,904	18,040
	<u>891,920</u>	<u>733,230</u>

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

	31.7.22	31.7.21
Management	3	2
Sales	8	8
Training	6	5
Logistics	3	3
Technical	3	4
Digital	2	4
Research and development	2	-
	<u>27</u>	<u>26</u>

	31.7.22	31.7.21
	£	£
Director's remuneration	13,169	9,000
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>1</u>	<u>1</u>
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**4. OPERATING PROFIT**

The operating profit is stated after charging:

	31.7.22	31.7.21
	£	£
Depreciation - owned assets	106,228	98,961
Loss on disposal of fixed assets	164,605	-
Auditors' remuneration	12,000	-
Foreign exchange differences	<u>14,059</u>	<u>57</u>

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.7.22	31.7.21
	£	£
Mortgage interest	<u>8,138</u>	<u>7,917</u>

**COLENA LTD. (REGISTERED NUMBER: 05819252)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2022**

**6. TAXATION**

**Analysis of the tax charge**

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

	31.7.22	31.7.21
	£	£
Current tax:		
UK corporation tax	344,989	279,970
Prior year taxation adjustment	<u>(8,902)</u>	<u>(6,308)</u>
Total current tax	336,087	273,662
Deferred tax charge (credit)	<u>29,011</u>	<u>(1,614)</u>
Tax on profit	<u><u>365,098</u></u>	<u><u>272,048</u></u>

UK corporation tax has been charged at 19% (2021 - 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:

	31.7.22	31.7.21
	£	£
Profit before tax	<u>2,184,124</u>	<u>1,506,037</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	414,984	286,147
Effects of:		
Expenses not deductible for tax purposes	245	-
Enhanced research and development	(24,030)	-
Enhanced capital allowances	(22,539)	(9,255)
Ineligible depreciation	1,733	1,464
Prior year tax adjustments for Corporation Tax refunds	(8,902)	(6,308)
Prior year adjustment for deferred tax	<u>3,607</u>	<u>-</u>
Total tax charge	<u><u>365,098</u></u>	<u><u>272,048</u></u>

**7. DIVIDENDS**

	31.7.22	31.7.21
	£	£
Ordinary shares of £1 each		
Interim	24,000	49,567
'B' Ordinary Shares shares of £1 each		
Interim	<u>32,500</u>	<u>48,700</u>
	<u><u>56,500</u></u>	<u><u>98,267</u></u>

COLENA LTD. (REGISTERED NUMBER: 05819252)

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2022

8. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1 August 2021	35,000
Disposals	<u>(35,000)</u>
At 31 July 2022	<u>-</u>
<b>AMORTISATION</b>	
At 1 August 2021	35,000
Eliminated on disposal	<u>(35,000)</u>
At 31 July 2022	<u>-</u>
<b>NET BOOK VALUE</b>	
At 31 July 2022	<u>-</u>
At 31 July 2021	<u>-</u>

9. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant & machinery £	Equipment for rent £
<b>COST</b>			
At 1 August 2021	385,092	96,691	395,574
Additions	-	40,905	273,986
Disposals	<u>-</u>	<u>-</u>	<u>(237,191)</u>
At 31 July 2022	<u>385,092</u>	<u>137,596</u>	<u>432,369</u>
<b>DEPRECIATION</b>			
At 1 August 2021	38,509	3,223	171,214
Charge for year	7,702	23,348	62,022
Eliminated on disposal	<u>-</u>	<u>(1,691)</u>	<u>(79,033)</u>
At 31 July 2022	<u>46,211</u>	<u>24,880</u>	<u>154,203</u>
<b>NET BOOK VALUE</b>			
At 31 July 2022	<u>338,881</u>	<u>112,716</u>	<u>278,166</u>
At 31 July 2021	<u>346,583</u>	<u>93,468</u>	<u>224,360</u>

**COLENA LTD. (REGISTERED NUMBER: 05819252)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2022**

**9. TANGIBLE FIXED ASSETS - continued**

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 August 2021	80,802	48,751	76,338	1,083,248
Additions	39,873	55,970	5,996	416,730
Disposals	<u>(6,538)</u>	<u>-</u>	<u>(44,002)</u>	<u>(287,731)</u>
At 31 July 2022	<u>114,137</u>	<u>104,721</u>	<u>38,332</u>	<u>1,212,247</u>
<b>DEPRECIATION</b>				
At 1 August 2021	55,439	38,881	59,883	367,149
Charge for year	4,215	5,592	3,349	106,228
Eliminated on disposal	<u>(4,593)</u>	<u>-</u>	<u>(37,809)</u>	<u>(123,126)</u>
At 31 July 2022	<u>55,061</u>	<u>44,473</u>	<u>25,423</u>	<u>350,251</u>
<b>NET BOOK VALUE</b>				
At 31 July 2022	<u>59,076</u>	<u>60,248</u>	<u>12,909</u>	<u>861,996</u>
At 31 July 2021	<u>25,363</u>	<u>9,870</u>	<u>16,455</u>	<u>716,099</u>

Tangible fixed assets with a net book value of £338,881 (2021:- £346,583) have been pledged as security for liabilities of the company.

**10. STOCKS**

	31.7.22	31.7.21
	£	£
Stocks	<u>1,591,787</u>	<u>1,146,714</u>

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.7.22	31.7.21
	£	£
Trade debtors	1,082,250	952,588
Other debtors	30,844	33,606
Shareholder loan account	24,665	32,598
Directors' current accounts	72,234	70,807
Prepayments	<u>16,104</u>	<u>6,605</u>
	<u>1,226,097</u>	<u>1,096,204</u>

**COLENA LTD. (REGISTERED NUMBER: 05819252)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2022**

12.	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
		31.7.22	31.7.21
		£	£
	Bank loans and overdrafts (see note 14)	17,713	17,861
	Trade creditors	817,437	476,136
	Corporation tax provision	321,923	268,568
	Social security and other taxes	22,869	17,800
	VAT	21,482	372,187
	Other creditors	90,370	51,276
	Accrued expenses	22,023	5,377
		<u>1,313,817</u>	<u>1,209,205</u>

13.	<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>		
		31.7.22	31.7.21
		£	£
	Bank loans (see note 14)	<u>199,550</u>	<u>217,543</u>

14.	<b>LOANS</b>		
	An analysis of the maturity of loans is given below:		
		31.7.22	31.7.21
		£	£
	Amounts falling due within one year or on demand:		
	Bank loan - Mortgage < 1yr	<u>17,713</u>	<u>17,861</u>
	Amounts falling due between one and two years:		
	Bank loan - Mortgage 1-2 yrs	<u>17,713</u>	<u>17,861</u>
	Amounts falling due between two and five years:		
	Bank loan - Mortgage 2-5 yrs	<u>53,138</u>	<u>53,583</u>
	Amounts falling due in more than five years:		
	Repayable by instalments		
	Bank loan - Mortgage >5 yrs in	<u>128,699</u>	<u>146,099</u>

15.	<b>SECURED DEBTS</b>		
	The following secured debts are included within creditors:		
		31.7.22	31.7.21
		£	£
	Bank loans	<u>217,263</u>	<u>235,404</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.

**COLENA LTD. (REGISTERED NUMBER: 05819252)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2022**

16.	<b>PROVISIONS FOR LIABILITIES</b>			31.7.22 £ <u>95,612</u>	31.7.21 £ <u>66,601</u>
	Deferred tax provision				Deferred tax £ 66,601
	Balance at 1 August 2021				25,404
	Accelerated capital allowances				<u>3,607</u>
	Prior year adjustment				<u>95,612</u>
	Balance at 31 July 2022				
17.	<b>CALLED UP SHARE CAPITAL</b>				
	Allotted, issued and fully paid:				
	Number:	Class:	Nominal value:	31.7.22 £ 100 100 100 <u>300</u>	31.7.21 £ 100 100 100 <u>300</u>
	100	Ordinary	£1		
	100	'A' Ordinary Shares	£1		
	100	'B' Ordinary Shares	£1		
18.	<b>RESERVES</b>				Retained earnings £ 4,310,091 1,819,026 <u>(56,500)</u> <u>6,072,617</u>
	At 1 August 2021				
	Profit for the year				
	Dividends				
	At 31 July 2022				
19.	<b>DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES</b>				
	The following advances and credits to a director subsisted during the years ended 31 July 2022 and 31 July 2021:				
				31.7.22 £ 103,405 (6,506) - - <u>96,899</u>	31.7.21 £ 138,488 (35,083) - - <u>103,405</u>
	<b>J C P Ross</b>				
	Balance outstanding at start of year				
	Amounts repaid				
	Amounts written off				
	Amounts waived				
	Balance outstanding at end of year				

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2022**

**19. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES - continued**

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:

	2022		2021
£		£	
J C P Ross	72,234		70,807
M A Lucy	24,665		32,598
	<b>96,899</b>		<b>103,405</b>

During the year the company charged interest at a rate of 2% 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 £24,000 (2021 - £49,567).

At the balance sheet date a loan of £72,234 (2021 - £70,807) was owed to the Company by J C P Ross. Interest was charged at a rate of 2% 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 £32,500 (2021 - £48,700).

At the balance sheet date a loan of £24,665 (2021 - £32,598) was owed to the Company by M A Lucy. Interest was charged at a rate of 2% per annum on the loan which is repayable on demand.

**21. ULTIMATE CONTROLLING PARTY**

The controlling party is J C P Ross.

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