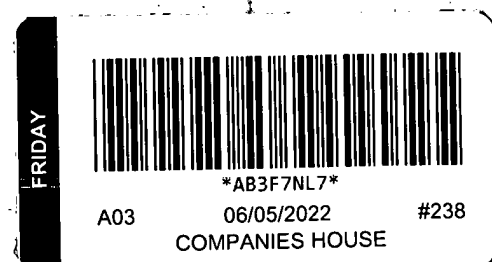


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**BRAUNABILITY UK LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



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**BRAUNABILITY UK LIMITED**

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**COMPANY INFORMATION**

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**Directors**

J M Jensen  
K G Björnermark

**Registered number**

00689968

**Registered office**

Unwin House  
The Horseshoe  
Coat Road  
Martock  
Somerset  
TA12 6EY

**Independent auditors**

Nexia Smith & Williamson  
Chartered Accountants & Statutory Auditors  
Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

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## BRAUNABILITY UK LIMITED

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## BRAUNABILITY UK LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

#### Introduction

The principal activities of the business are the supplying and manufacture of wheelchair restraint systems, flooring products, vehicle lifts and ramps to the global vehicle conversion market.

#### Business review

The results for the year show a loss before tax of £893,975 (2020 - profit of £173,884) and sales for the year of £7,015,132 (2020 - £7,556,929).

#### Principal risks and uncertainties

The main risks arising from the Company's operations are currency risk and liquidity risk.

#### Currency Risk

The Company is exposed to transaction foreign exchange risk. The Company seeks to hedge its exposures by using bank accounts denominated in Swedish Kröna, Euros and Dollars, with the objective of minimising the effects of fluctuations in exchange rates on future transactions and cashflows.

#### Liquidity Risk

The Company continues to be part of a Group with a pooled group cash facility to reduce exchange rate risks and costs. Therefore cash shown within these financial statements is not a true reflection of the cash generated by the Company. There are, however, sufficient cash resources within the group to finance the planned growth.

#### Financial key performance indicators

Given the straightforward nature of the business, the directors are of the opinion that using KPI's, other than those disclosed above, is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board and signed on its behalf.



K G Björnermark  
Director

2022-05-05  
Date:

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## BRAUNABILITY UK LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their report and the financial statements for the year ended 31 December 2021.

#### Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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.

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 to 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.

#### Results and dividends

The loss for the year, after taxation, amounted to £733,237 (2020 - profit £142,850).

During the year no dividends were paid (2020 - £nil) on the ordinary shares of the Company.

#### Directors

The directors who served during the year were:

J M Jensen  
K G Björnermark

#### Future developments

The directors aim to continue to grow the business to increase shareholder return and provide quality products to existing and new customers.

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**BRAUNABILITY UK LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Post balance sheet events**

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

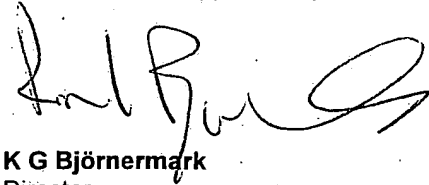
**Auditor**

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**K G Björnermark**  
Director

Date: 2022-05-05

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAUNABILITY UK LIMITED**

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**Opinion**

We have audited the financial statements of Braunability Uk Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of comprehensive income, Balance sheet, Statement of changes in equity, Statement of cash flows, Analysis of net debt and the 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss 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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## BRAUNABILITY UK LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAUNABILITY UK LIMITED (CONTINUED)

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#### Other information

The other information comprises the information included in the Annual report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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.

#### Opinion on other matters prescribed by the Companies Act 2006

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

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

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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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## BRAUNABILITY UK LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAUNABILITY UK LIMITED (CONTINUED)

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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.

We obtained a general understanding of the company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We also drew on our existing understanding of the company's industry and regulation.

We understand that the company complies with requirements of the framework through:

- Outsourcing accounts preparation and tax compliance to external experts
- Engaging with independent advisors to perform regular reviews of health & safety procedures in place at sites operated by the company
- Making note of relevant updates from external experts, and updating internal procedures and controls as necessary as legal and regulatory requirements change
- The Directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly and are considered at Board meetings.

In the context of the audit, we have considered those laws and regulations which determine the form and content of the financial statements, those which are central to the company's ability to conduct its business and those where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.
- The Health and Safety act in respect of the running of the business.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were the risk of manipulation of the financial statements through manual journal entries and incorrect recognition of revenue. These areas were communicated to the other members of the engagement team who were not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Testing of a sample of revenue transactions to underlying documentation; and
- Testing of a sample of manual journal entries, selected through applying specific risk assessments based on the company's processes and controls surrounding manual journal entries.

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 auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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**BRAUNABILITY UK LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAUNABILITY UK LIMITED (CONTINUED)**

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*Nexia Smith & Williamson*

Carl Deane (Senior Statutory Auditor)

for and on behalf of  
**Nexia Smith & Williamson**

Chartered Accountants  
Statutory Auditors

Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA  
Date:

*5 May 2022*

**BRAUNABILITY UK LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	7,015,132	7,556,929
Cost of sales		(5,934,656)	(5,710,236)
<b>Gross profit</b>		<b>1,080,476</b>	<b>1,846,693</b>
Administrative expenses		(2,010,587)	(2,067,469)
Other operating income	5	38,783	403,931
<b>Operating (loss)/profit</b>	6	<b>(891,328)</b>	<b>183,155</b>
Interest receivable and similar income		131	232
Interest payable and similar expenses		(2,778)	(9,503)
<b>(Loss)/profit before tax</b>		<b>(893,975)</b>	<b>173,884</b>
Tax on (loss)/profit	8	160,738	(31,034)
<b>(Loss)/profit for the financial year</b>		<b>(733,237)</b>	<b>142,850</b>

There was no other comprehensive income for 2021 (2020: £NIL).

The notes on pages 13 to 23 form part of these financial statements.

**BRAUNABILITY UK LIMITED**  
**REGISTERED NUMBER:00689968**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	9	635,972	724,194
		<u>635,972</u>	<u>724,194</u>
<b>Current assets</b>			
Stocks	10	2,214,695	1,797,925
Debtors: amounts falling due within one year	11	1,544,567	2,612,101
Cash at bank and in hand		118	63
		<u>3,759,380</u>	<u>4,410,089</u>
Creditors: amounts falling due within one year	12	(605,458)	(506,779)
<b>Net current assets</b>		<u>3,153,922</u>	<u>3,903,310</u>
<b>Total assets less current liabilities</b>		<u>3,789,894</u>	<u>4,627,504</u>
<b>Provisions for liabilities</b>			
Deferred tax	13	-	(104,373)
		<u>-</u>	<u>(104,373)</u>
<b>Net assets</b>		<u><u>3,789,894</u></u>	<u><u>4,523,131</u></u>
<b>Capital and reserves</b>			
Called up share capital	14	50,000	50,000
Capital redemption reserve	15	125,010	125,010
Profit and loss account	15	3,614,884	4,348,121
		<u><u>3,789,894</u></u>	<u><u>4,523,131</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

5<sup>th</sup> May 2022

  
**K G Björnermark**  
 Director

The notes on pages 13 to 23 form part of these financial statements.

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**BRAUNABILITY UK LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
<b>At 1 January 2020</b>	<b>50,000</b>	<b>125,010</b>	<b>4,205,271</b>	<b>4,380,281</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	142,850	142,850
<b>At 1 January 2021</b>	<b>50,000</b>	<b>125,010</b>	<b>4,348,121</b>	<b>4,523,131</b>
Loss for the year	-	-	(733,237)	(733,237)
<b>At 31 December 2021</b>	<b>50,000</b>	<b>125,010</b>	<b>3,614,884</b>	<b>3,789,894</b>

The notes on pages 13 to 23 form part of these financial statements.

**BRAUNABILITY UK LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(733,237)	142,850
<b>Adjustments for:</b>		
Depreciation of tangible assets	145,392	158,145
Loss on disposal of tangible assets	(18,770)	1,508
Interest paid	2,778	9,503
Interest received	(131)	(232)
Taxation charge	(160,738)	31,034
(Increase)/decrease in stocks	(416,770)	173,013
Decrease/(increase) in debtors	1,067,534	(36,526)
Increase/(decrease) in creditors	131,043	(346,360)
Corporation tax received	24,001	39,578
<b>Net cash generated from operating activities</b>	<b>41,102</b>	<b>172,513</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(57,170)	(72,823)
Sale of tangible fixed assets	18,770	-
Interest received	131	232
<b>Net cash from investing activities</b>	<b>(38,269)</b>	<b>(72,591)</b>
<b>Cash flows from financing activities</b>		
Repayment of/new finance leases	-	(90,836)
Interest paid	(2,778)	(9,503)
<b>Net cash used in financing activities</b>	<b>(2,778)</b>	<b>(100,339)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>55</b>	<b>(417)</b>
Cash and cash equivalents at beginning of year	63	480
<b>Cash and cash equivalents at the end of year</b>	<b>118</b>	<b>63</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	118	63
	<b>118</b>	<b>63</b>

The notes on pages 13 to 23 form part of these financial statements.

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**BRAUNABILITY UK LIMITED**

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**ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	63	55	118
	<u>63</u>	<u>55</u>	<u>118</u>

The notes on pages 13 to 23 form part of these financial statements.

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## BRAUNABILITY UK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1. General information

Braunability UK Limited is a private limited company registered in England and Wales with its registered office at Unwin House, The Horseshoe, Coat Road, Martock, Somerset, TA12 6EY. The company's principal activity is the design, manufacture and sale of safety systems to enable disabled and able-bodied persons to travel safely.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Going concern

After reviewing the Company's projections and forecasts, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

##### 2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.



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## BRAUNABILITY UK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Leasehold property	- over 10 years
Plant & machinery	- over 1 to 10 years
Motor vehicles	- over 4 years
Fixtures & fittings	- over 5 to 10 years

##### 2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

##### 2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

##### 2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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## BRAUNABILITY UK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.9 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

##### 2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of comprehensive income.

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## BRAUNABILITY UK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.12 Pensions

###### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### 2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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## BRAUNABILITY UK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

##### Impairment of assets

The Company assesses at each reporting date whether an asset may be impaired. If there is an indication that the carrying amount of an asset may not be recoverable, the Company estimates the recoverable amount of the asset using the information available at that date. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of an asset is impaired and it is reduced to its recoverable amount through an impairment in the Statement of income and retained earnings.

##### Impairment of trade debtors

The Company has significant levels of trade debtors. Impairment of these debtors is assessed regularly on a line by line basis by management using information related to customer payment history, credit status and other contributory factors. Where recoverability is no longer considered likely, trade debtors are impaired to their recoverable amount. Impairment of trade debtors is charged to the Statement of income and retained earnings within administrative expenses. As at year end, trade debtors were presented net of a provision of £422 (2020 - £4,586).

##### Stock provision

Stock is assessed periodically by management to ensure they are correctly valued at the lower of cost and net realisable value. Where net realisable value is lower than cost due to slow moving and obsolete inventories, a provision is made to ensure the value at which stock is held in the balance sheet is reflective of anticipated future sales patterns. As at the year end, the stock provision was £548,981 (2020 - £174,916).

#### 4. Turnover

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	4,806,833	5,103,955
Rest of Europe	2,205,886	2,452,579
Rest of the world	2,413	395
	<u>7,015,132</u>	<u>7,556,929</u>

**BRAUNABILITY UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**5. Other operating income**

	2021 £	2020 £
Furlough income	38,783	403,931
	<u>38,783</u>	<u>403,931</u>

**6. Operating (loss)/profit**

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

	2021 £	2020 £
Research & development charged as an expense	92,200	117,069
Exchange differences	(5,347)	(70,653)
Auditor's remuneration - audit services	18,900	18,000
Auditor's remuneration - non-audit services	7,515	5,986
Other operating lease rentals	36,390	32,960
	<u>36,390</u>	<u>32,960</u>

**7. Employees**

	2021 £	2020 £
Wages and salaries	1,491,136	1,696,722
Social security costs	131,036	116,991
Cost of defined contribution scheme	59,458	51,947
	<u>1,681,630</u>	<u>1,865,660</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Manufacturing	29	28
Selling and distribution	8	11
Office and management	20	21
	<u>57</u>	<u>60</u>

**BRAUNABILITY UK LIMITED**

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**8. Taxation**

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	(11,967)	(7,214)
Adjustments in respect of previous periods	(44,398)	-
	<u>(56,365)</u>	<u>(7,214)</u>
<b>Total current tax</b>	<u>(56,365)</u>	<u>(7,214)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(137,333)	38,248
Changes to tax rates	32,960	-
<b>Total deferred tax</b>	<u>(104,373)</u>	<u>38,248</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(160,738)</u>	<u>31,034</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
(Loss)/profit on ordinary activities before tax	<u>(893,975)</u>	<u>173,884</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(169,855)	33,038
<b>Effects of:</b>		
Expenses not deductible for tax purposes	240	175
Capital allowances for year in excess of depreciation	(1,810)	769
Utilisation of tax losses	44,397	-
Adjustments to tax charge in respect of prior periods	(44,398)	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(9,693)	2,286
Other differences leading to an increase (decrease) in the tax charge	20,381	(5,234)
<b>Total tax charge for the year</b>	<u>(160,738)</u>	<u>31,034</u>

**BRAUNABILITY UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**8. Taxation (continued)**

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**9. Tangible fixed assets**

	Leasehold Property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
<b>Cost or valuation</b>					
At 1 January 2021	43,813	1,986,696	60,251	146,508	2,237,268
Additions	3,242	9,981	38,597	5,350	57,170
Disposals	(240)	(136,997)	(40,310)	(11,187)	(188,734)
At 31 December 2021	46,815	1,859,680	58,538	140,671	2,105,704
<b>Depreciation</b>					
At 1 January 2021	16,875	1,323,795	58,035	114,369	1,513,074
Charge for the year on owned assets	5,766	129,340	2,214	8,072	145,392
Disposals	(240)	(136,997)	(40,310)	(11,187)	(188,734)
At 31 December 2021	22,401	1,316,138	19,939	111,254	1,469,732
<b>Net book value</b>					
At 31 December 2021	24,414	543,542	38,599	29,417	635,972
At 31 December 2020	26,938	662,901	2,216	32,139	724,194

The Company had no contracted capital commitments in the current or prior year.

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**BRAUNABILITY UK LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**10. Stocks**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	<b>1,127,558</b>	922,192
Work in progress (goods to be sold)	<b>172,394</b>	33,415
Finished goods and goods for resale	<b>914,743</b>	842,318
	<b><u>2,214,695</u></b>	<b><u>1,797,925</u></b>

**11. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>527,841</b>	716,541
Amounts owed by group undertakings	<b>903,247</b>	1,818,281
Tax debtors	<b>80,447</b>	-
Prepayments and accrued income	<b>33,032</b>	77,279
	<b><u>1,544,567</u></b>	<b><u>2,612,101</u></b>

**12. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>395,785</b>	173,370
Amounts owed to group undertakings	<b>60,170</b>	96,026
Corporation tax	-	32,364
Other taxation and social security	<b>66,858</b>	98,697
Other creditors	<b>11,961</b>	4,016
Accruals and deferred income	<b>70,684</b>	102,306
	<b><u>605,458</u></b>	<b><u>506,779</u></b>



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**BRAUNABILITY UK LIMITED**

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**13. Deferred taxation**

	2021 £	2020 £
At beginning of year	(104,373)	(66,125)
Charged to profit or loss	104,373	(38,248)
<b>At end of year</b>	<b>-</b>	<b>(104,373)</b>

The deferred taxation balance is made up as follows:

	2021 £	2020 £
Fixed assets differences	-	(105,362)
Short term timing differences	-	989
	<b>-</b>	<b>(104,373)</b>

**14. Share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
50,000 (2020 - 50,000) Ordinary shares of £1.00 each	50,000	50,000

**15. Reserves**

**Capital redemption reserve**

The capital redemption reserve is a statutory reserve established when the shares of the Company were redeemed or purchased wholly or partly out of the Company's profits.

**Profit & loss account**

The profit and loss account represents accumulated profits and losses less amounts distributed to shareholders.

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**BRAUNABILITY UK LIMITED**

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**16. Commitments under operating leases**

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	21,642	23,469
Later than 1 year and not later than 5 years	-	21,642
	<u>21,642</u>	<u>45,111</u>

**17. Related party transactions and ultimate controlling party**

The Company is wholly owned by Braunability AB, a company based at Åkerivägen 7, SE-443 61 Stenkullen, Sweden. The ultimate controlling party is Investor AB, a company based at SE-103 32 Stockholm, Sweden.

During the year, the Company made purchases of £586,156 (2020 - £1,028,822) from its immediate parent undertaking and paid expenses of £33,499 (2020 - £nil), of which £374 (2020 - £25,128) was outstanding at the year end. The Company also made sales of £2,020,842 (2020 - £1,918,346) to the same entity, in respect of which £21,171 (2020 - £nil) was outstanding at the year end. The Company maintained a cash pooling facility with its immediate parent undertaking, which is shown as an outstanding debtor balance at the year end of £822,056 (2020 - £1,567,938).

The Company made purchases of £235,556 (2020 - £17,279) from a fellow subsidiary, of which £nil (2020 - £nil) was outstanding at the year end. The Company also made sales of £12,637 (2020 - nil) to the same entity, and received £nil (2020 - nil) of repaid expenses, of which £nil (2020 - £nil) was outstanding at year end.

The Company made purchases of £465,570 (2020 - £1,400,165) from one of its intermediate parent undertakings, of which £59,796 (2020 - £70,898) was outstanding at the year end. The company also made sales to the same entity of £63,116 (2020 - £nil), of which £60,126 (2020 - £nil) was outstanding at the year end, and received £nil (2020 - £271,594) of repaid expenses during the year, of which £nil (2020 - £271,594) was outstanding at the year end.