

Vestatec (U.K.) Limited
Strategic Report, Directors' Report and
Audited Financial Statements
for the Year Ended 31 December 2021

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for the year ended 31 December 2021**

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Vestatec (U.K.) Limited
Company Information
for the year ended 31 December 2021

Directors:

R J Drake
M P Bylina
L G Clarke
D G Wright

Secretary:

R J Drake

Registered office:

178 Buckingham Avenue
Slough
Berkshire
SL1 4RD

Registered number:

02172112 (England and Wales)

Auditors:

Haines Watts
Chartered Accountants and Statutory Auditor
178 Buckingham Avenue
Slough
Berkshire
SL1 4RD

**Strategic Report
for the year ended 31 December 2021**

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

Review of business

Specialising in highly complex metal forming and assembly, Vestatec creates and manufactures precision components to meet high performance and aesthetic applications for world-wide automotive brands.

During YE2021, sales volumes increased by 17% compared to YE2020. Volume and associated revenue would have been higher but for the effect of semi-conductor shortages on the car manufacturers assembly plants, reducing demand.

High profile, new vehicle programmes in new markets were won during the year alongside new supplier codes for several high-profile brands. This activity has significantly increased the number of new enquiries.

The company continues to invest in new plant, technology, innovation, and R&D which the directors believe will provide the platform for sustained medium and long-term growth.

Principal risks and uncertainties

The automotive sector is highly competitive. Most OEM (Original Equipment Manufacturer) programmes have year-on-year cost down targets causing pressure on margins.

Exchange rate risk is managed and mitigated, where possible, by either selling products in Sterling or in the currency of key suppliers. The current Sterling position, especially compared to the US Dollar, will increase competitiveness.

Automotive OEM programmes have long development lead-times, typically up to three years. Therefore, working capital is required to cover the cost of labour, equipment, tooling, and validation. The business has allocated adequate resource and working capital to meet all current and future commitments.

Since the peak of the Covid-19 pandemic, the principal ongoing effects are:

- First, while worldwide demand for new cars has rebounded, semiconductor shortages continue to disrupt OEM assembly plants. During the second half of 2021 there was a softening of scheduled demand. However, significant pent-up demand should increase volumes during the second half of 2022 and beyond.

-Second, wage, raw-material and utility inflation will affect costs. However, the business is working to mitigate increases through strategic purchasing strategies and alternative materials. This activity is producing positive results.

The business will constantly review its stock position (raw materials and finished goods) to ensure continuity of supply in a climate where demand could become very volatile. This is demonstrated by the increased stock position at YE2021.

Results and performance

Company results are set out on pages 7 to 8 and show a pre-tax profit of £785k for the 12-month period ending 31st December (2020 £908k). Shareholders' funds at the end of the year increased to £5.787m (2020 £4.969m).

On behalf of the board:

R J Drake - Director

12 September 2022

**Directors' Report
for the year ended 31 December 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

Principal activity

The principal activity of the company continued to be that of design, manufacture and supply of accessories to the motor industry.

Dividends

An interim dividend of £3.1428 per share was paid on 26 September 2022. The directors recommend that no final dividend be paid.

No dividends will be distributed for the year ended 31 December 2021.

Directors

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

R J Drake
M P Bylina
L G Clarke
D G Wright

Statement of directors' responsibilities

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the directors are 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 each director 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.

On behalf of the board:

R J Drake - Director

12 September 2022

Independent Auditors' Report to the Members of Vestatec (U.K.) Limited

Opinion

We have audited the financial statements of Vestatec (U.K.) Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and 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 December 2021 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 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Directors' Report, but does not include the financial statements and our Auditors' Report 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 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.

Independent Auditors' Report to the Members of Vestatec (U.K.) Limited

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 Statement of Directors' Responsibilities, 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 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.

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 an Auditors' 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 gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We discussed with the Directors the policies and procedures in place regarding compliance with laws and regulations. We discussed amongst the audit team the identified laws and regulations, and remained alert to any indications of non-compliance.

During the audit we focussed on laws and regulations which could reasonably be expected to give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

Our procedures in relation to fraud included but were not limited to: inquires of management whether they have any knowledge of any actual, suspected or alleged fraud, and discussions amongst the audit team regarding risk of fraud such as opportunities for fraudulent manipulation of financial statements. We determined that the principal risks related to posting manual journal entries to manipulate financial performance and management bias through judgements in accounting estimates. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

**Independent Auditors' Report to the Members of
Vestatec (U.K.) Limited**

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 Auditors' 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.

Jonathan Moughton (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants and Statutory Auditor
178 Buckingham Avenue
Slough
Berkshire
SL1 4RD

26 September 2022

**Statement of Comprehensive
Income
for the year ended 31 December 2021**

| | | 2021 | 2020 |
|--|--------------|--------------------|--------------------|
| | Notes | £ | £ |
| Turnover | | 10,691,344 | 10,780,982 |
| Cost of sales | | <u>(7,415,937)</u> | <u>(7,343,699)</u> |
| Gross profit | | 3,275,407 | 3,437,283 |
| Distribution costs | | (56,322) | (125,357) |
| Administrative expenses | | <u>(2,439,139)</u> | <u>(2,506,019)</u> |
| | | 779,946 | 805,907 |
| Other operating income | | <u>4,066</u> | <u>101,604</u> |
| Operating profit | | 784,012 | 907,511 |
| Interest receivable and similar income | | <u>774</u> | <u>435</u> |
| Profit before taxation | 5 | 784,786 | 907,946 |
| Tax on profit | 6 | <u>33,704</u> | <u>(46,922)</u> |
| Profit for the financial year | | 818,490 | 861,024 |
| Other comprehensive income | | <u>-</u> | <u>-</u> |
| Total comprehensive income for the year | | <u>818,490</u> | <u>861,024</u> |

The notes form part of these financial statements

Balance Sheet
31 December 2021

| | | | 2021 | | 2020 |
|--|-------|------------------|-------------------------|------------------|-------------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 7 | | 1,167,849 | | 347,542 |
| Current assets | | | | | |
| Stocks | 8 | 786,078 | | 469,508 | |
| Debtors | 9 | 5,473,135 | | 1,867,015 | |
| Cash at bank | | <u>1,508,387</u> | | <u>3,829,375</u> | |
| | | 7,767,600 | | 6,165,898 | |
| Creditors | | | | | |
| Amounts falling due within one year | 10 | <u>2,947,903</u> | | <u>1,503,793</u> | |
| Net current assets | | | <u>4,819,697</u> | | <u>4,662,105</u> |
| Total assets less current liabilities | | | <u>5,987,546</u> | | <u>5,009,647</u> |
| Provisions for liabilities | 12 | | <u>200,251</u> | | <u>40,842</u> |
| Net assets | | | <u><u>5,787,295</u></u> | | <u><u>4,968,805</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 13 | | 375,442 | | 375,442 |
| Share premium | 14 | | 584,558 | | 584,558 |
| Capital redemption reserve | 14 | | 10,000 | | 10,000 |
| Retained earnings | 14 | | <u>4,817,295</u> | | <u>3,998,805</u> |
| Shareholders' funds | | | <u><u>5,787,295</u></u> | | <u><u>4,968,805</u></u> |

The financial statements were approved by the Board of Directors and authorised for issue on 12 September 2022 and were signed on its behalf by:

R J Drake - Director

**Statement of Changes in Equity
for the year ended 31 December 2021**

| | Called up share capital £ | Retained earnings £ | Share premium £ | Capital redemption reserve £ | Total equity £ |
|------------------------------------|--|------------------------------------|--------------------------------|---|-------------------------------|
| Balance at 1 January 2020 | 375,442 | 3,137,781 | 584,558 | 10,000 | 4,107,781 |
| Changes in equity | | | | | |
| Profit for the year | - | 861,024 | - | - | 861,024 |
| Total comprehensive income | - | 861,024 | - | - | 861,024 |
| Balance at 31 December 2020 | 375,442 | 3,998,805 | 584,558 | 10,000 | 4,968,805 |
| Changes in equity | | | | | |
| Profit for the year | - | 818,490 | - | - | 818,490 |
| Total comprehensive income | - | 818,490 | - | - | 818,490 |
| Balance at 31 December 2021 | 375,442 | 4,817,295 | 584,558 | 10,000 | 5,787,295 |

The notes form part of these financial statements

**Notes to the Financial Statements
for the year ended 31 December 2021**

1. Statutory information

Vestatec (U.K.) Limited 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.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest pound.

Going concern

The directors have identified no material uncertainties that cast significant doubt about the ability of the company to continue as a going concern.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates in determining the carrying amounts of certain assets and liabilities. Management makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The management's estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. This disclosure excludes uncertainty over future events and judgement in respect of measuring financial instruments.

There is estimation uncertainty in calculating bad debt provisions. A full review of trade debtors is carried out by management regularly. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provision do not match the level of debts which ultimately prove to be uncollectable.

There is also estimation uncertainty in calculating stock provisions. Slow moving and obsolete stocks are monitored during the year. A line by line review of stock provisions is carried out at the year-end and slow-moving stock put forward for provision. Whilst every attempt is made to ensure that the stock provisions are as accurate as possible, there remains a risk that the provisions do not match the ultimate realised value of stock held.

There are no further significant judgements or estimates.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax. Turnover relating to the sale of wheels is recognised on delivery to the UK and those for grilles when they are shipped.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Plant & machinery - 5% - 25% straight line
Motor vehicles - 25% straight line
Fixtures & fittings - 25% straight line
Computer equipment - 33% straight line

**Notes to the Financial Statements - continued
for the year ended 31 December 2021**

2. Accounting policies - continued

Government grants

Government grants are recognised when there is reasonable assurance that the entity will comply with the conditions attaching to the grant and the grant will be received.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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. The company is a beneficiary of Research & Development (R&D) tax relief from the UK Government in the form of reductions in its annual tax liability, as well as repayable tax credits. Current tax assets or reductions in current tax liabilities for R&D claims are only recognised when the amount can be reliably determined and the probability of HM Revenue & Customs accepting the claim is considered high.

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

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 profit and loss account.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

Notes to the Financial Statements - continued
for the year ended 31 December 2021

2. Accounting policies - continued**Financial instruments**

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank which are an integral part of the company's cash management.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Operating leases

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

3. Employees and directors

| | 2021 | 2020 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,284,206 | 1,319,776 |
| Social security costs | 132,942 | 150,604 |
| Other pension costs | 116,043 | 71,672 |
| | <u>1,533,191</u> | <u>1,542,052</u> |

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

| | 2021 | 2020 |
|-------------|-------------|-------------|
| Sales | 1 | 1 |
| Admin | 6 | 6 |
| Production | 14 | 17 |
| Engineering | 6 | 6 |
| Quality | 3 | 4 |
| | <u>30</u> | <u>34</u> |

4. Directors' emoluments

| | 2021 | 2020 |
|-------------------------|----------------|----------------|
| | £ | £ |
| Directors' remuneration | <u>418,264</u> | <u>492,479</u> |

Information regarding the highest paid director is as follows:

| | 2021 | 2020 |
|----------------|----------------|----------------|
| | £ | £ |
| Emoluments etc | <u>200,000</u> | <u>200,000</u> |

Notes to the Financial Statements - continued
for the year ended 31 December 2021

5. Profit before taxation

The profit is stated after charging:

| | 2021 £ | 2020 £ |
|----------------------------------|--------------|--------------|
| Depreciation - owned assets | 116,323 | 110,786 |
| Loss on disposal of fixed assets | 6,730 | 5,390 |
| Audit fees | <u>8,250</u> | <u>8,250</u> |

6. Taxation

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit for the year was as follows:

| | 2021 £ | 2020 £ |
|--------------------|-----------------|---------------|
| Current tax: | | |
| UK corporation tax | (193,113) | 56,713 |
| Deferred tax | 159,409 | (9,791) |
| Tax on profit | <u>(33,704)</u> | <u>46,922</u> |

7. Tangible fixed assets

| | Short leasehold £ | Plant and machinery £ | Fixtures and fittings £ |
|------------------------|-------------------------|-----------------------------|----------------------------------|
| Cost | | | |
| At 1 January 2021 | 125,645 | 404,007 | 91,435 |
| Additions | 53,336 | 743,201 | 5,906 |
| Disposals | - | - | - |
| At 31 December 2021 | <u>178,981</u> | <u>1,147,208</u> | <u>97,341</u> |
| Depreciation | | | |
| At 1 January 2021 | 37,519 | 242,335 | 59,905 |
| Charge for year | 12,634 | 42,975 | 15,495 |
| Eliminated on disposal | - | - | - |
| At 31 December 2021 | <u>50,153</u> | <u>285,310</u> | <u>75,400</u> |
| Net book value | | | |
| At 31 December 2021 | <u>128,828</u> | <u>861,898</u> | <u>21,941</u> |
| At 31 December 2020 | <u>88,126</u> | <u>161,672</u> | <u>31,530</u> |

Notes to the Financial Statements - continued
for the year ended 31 December 2021

7. Tangible fixed assets - continued

| | Motor vehicles £ | Computer equipment £ | Totals £ |
|------------------------|------------------------|----------------------------|------------------|
| Cost | | | |
| At 1 January 2021 | 99,956 | 116,359 | 837,402 |
| Additions | 70,038 | 77,855 | 950,336 |
| Disposals | (55,285) | - | (55,285) |
| At 31 December 2021 | <u>114,709</u> | <u>194,214</u> | <u>1,732,453</u> |
| Depreciation | | | |
| At 1 January 2021 | 54,564 | 95,537 | 489,860 |
| Charge for year | 28,366 | 16,853 | 116,323 |
| Eliminated on disposal | (41,579) | - | (41,579) |
| At 31 December 2021 | <u>41,351</u> | <u>112,390</u> | <u>564,604</u> |
| Net book value | | | |
| At 31 December 2021 | <u>73,358</u> | <u>81,824</u> | <u>1,167,849</u> |
| At 31 December 2020 | <u>45,392</u> | <u>20,822</u> | <u>347,542</u> |

8. Stocks

| | 2021 £ | 2020 £ |
|----------------|----------------|----------------|
| Finished goods | <u>786,078</u> | <u>469,508</u> |

9. Debtors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | 3,228,687 | 1,564,874 |
| Amounts owed by group undertakings | 1,200,000 | - |
| Other debtors | 474,527 | 31,715 |
| VAT | 65,463 | 87,657 |
| Prepayments | 504,458 | 182,769 |
| | <u>5,473,135</u> | <u>1,867,015</u> |

10. Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|---------------------------------|------------------|------------------|
| Trade creditors | 747,437 | 538,763 |
| Corporation tax | - | 56,713 |
| Social security and other taxes | 28,456 | 40,767 |
| Other creditors | 8,464 | 1,338 |
| Accruals and deferred income | 2,163,546 | 866,212 |
| | <u>2,947,903</u> | <u>1,503,793</u> |

Notes to the Financial Statements - continued
for the year ended 31 December 2021

11. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | 2021 £ | 2020 £ |
|----------------------------|----------------|----------------|
| Within one year | 125,000 | 125,000 |
| Between one and five years | 500,000 | 500,000 |
| In more than five years | 230,833 | 355,833 |
| | <u>855,833</u> | <u>980,833</u> |

12. Provisions for liabilities

| | 2021 £ | 2020 £ |
|--------------------------------|----------------|---------------|
| Deferred tax | | |
| Accelerated capital allowances | <u>200,251</u> | <u>40,842</u> |

Deferred tax
£

| | |
|---|----------------|
| Balance at 1 January 2021 | 40,842 |
| Charge to Statement of Comprehensive Income during year | 159,409 |
| Balance at 31 December 2021 | <u>200,251</u> |

13. Called up share capital

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 2021 £ | 2020 £ |
|---------|----------|----------------|----------------|----------------|
| 375,442 | Ordinary | £1 | <u>375,442</u> | <u>375,442</u> |

14. Reserves

| | Retained earnings £ | Share premium £ | Capital redemption reserve £ | Totals £ |
|---------------------|------------------------|--------------------|---------------------------------|------------------|
| At 1 January 2021 | 3,998,805 | 584,558 | 10,000 | 4,593,363 |
| Profit for the year | 818,490 | | | 818,490 |
| At 31 December 2021 | <u>4,817,295</u> | <u>584,558</u> | <u>10,000</u> | <u>5,411,853</u> |

15. Related party disclosures

During the year costs of £66,575 (2020: £65,790) were charged by a company related by common ownership and rent and service charge of £23,578 (2020: £63,476) was recharged by the company to that related party. Amounts due from related companies at the year-end was £1,200,000 (2020: £29,305) due to the related companies).

Ram Investments Limited is regarded by the directors as being the company's ultimate parent company.

16. Ultimate controlling party

The directors consider the ultimate controlling party to be R J Drake and M P Bylina acting in concert.

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