

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 October 2022
for
Trueline Expanded Products Ltd.**

Pinfields Limited
Chartered Accountants
Statutory Auditor
Meryll House
57 Worcester Road
Bromsgrove
Worcestershire
B61 7DN

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for the year ended 31 October 2022**

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Trueline Expanded Products Ltd.

**Company Information
for the year ended 31 October 2022**

DIRECTORS:

S Mares
Mrs A M Mares
L G W Wellings

SECRETARY:

Mrs A M Mares

REGISTERED OFFICE:

Parker Place
Firs Industrial Estate
Kidderminster
Worcestershire
DY11 7QN

REGISTERED NUMBER:

02907163 (England and Wales)

AUDITORS:

Pinfields Limited
Chartered Accountants
Statutory Auditor
Meryll House
57 Worcester Road
Bromsgrove
Worcestershire
B61 7DN

**Strategic Report
for the year ended 31 October 2022**

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

REVIEW OF BUSINESS

During the year to 31 October 2022 the company's turnover increased from 2021 by approx 16.1% to give turnover of £9,777,056. The gross margin has increased from 34.70% to 45.95% for the year ended 31 October 2022. Administration overheads have increased but this is compensated for by the other operating income due to the government grants received.

With this net profit it leaves the company in a strong position on which to trade for the next year.

The key performance indicators are turnover, margin and ultimate profitability and the analysis of these was given above.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk and uncertainties for the business is the general state of the UK economy. Especially with regard to the buoyancy of the building industry. The business is also concerned with the cost of its raw material purchases.

ON BEHALF OF THE BOARD:

L G W Wellings - Director

14 July 2023

**Report of the Directors
for the year ended 31 October 2022**

The directors present their report with the financial statements of the company for the year ended 31 October 2022.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of manufacturing of metal angle beads for the building industry.

DIVIDENDS

Interim dividends per share were paid as follows:

20.70	- 31 January 2022
8.60	- 30 April 2022
12.80	- 31 July 2022
<u>31.40</u>	- 31 October 2022
<u>73.50</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 October 2022 will be £ 735,000 .

RESEARCH AND DEVELOPMENT

The company is in the process of quantifying the R&D claim, but the accounts do not include an adjustment for this.

DIRECTORS

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

S Mares

Mrs A M Mares

L G W Wellings

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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.

**Report of the Directors
for the year ended 31 October 2022**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:

L G W Wellings - Director

14 July 2023

Report of the Independent Auditors to the Members of Trueline Expanded Products Ltd.

Opinion

We have audited the financial statements of Trueline Expanded Products Ltd. (the 'company') for the year ended 31 October 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 October 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 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 Report of the Directors, 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.

Report of the Independent Auditors to the Members of Trueline Expanded Products Ltd.

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 Directors 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 Directors 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 Report of the Directors.

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 set out on pages three and four, 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.

Report of the Independent Auditors to the Members of Trueline Expanded Products Ltd.

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:

- Obtaining an understanding of the legal and regulatory frameworks that the company operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- Enquiry of management around actual and potential litigation claims;
- Enquiry of management to identify instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Reviewing accounting estimates for evidence of management bias;
- Reviewing minutes of meetings of those charged with governance and management, where available; and
- Reviewing the bank for evidence of large and other unusual payments.

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 Report of the Auditors.

**Report of the Independent Auditors to the Members of
Trueline Expanded Products 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.

P J Tivey FCA FCCA (Senior Statutory Auditor)
for and on behalf of Pinfields Limited
Chartered Accountants
Statutory Auditor
Meryll House
57 Worcester Road
Bromsgrove
Worcestershire
B61 7DN

14 July 2023

Trueline Expanded Products Ltd. (Registered number: 02907163)

**Income Statement
for the year ended 31 October 2022**

	Notes	2022 £	2021 £
TURNOVER		9,692,210	8,421,288
Cost of sales		<u>(5,414,648)</u>	<u>(5,499,276)</u>
GROSS PROFIT		4,277,562	2,922,012
Administrative expenses		<u>(3,105,438)</u>	<u>(2,283,847)</u>
		1,172,124	638,165
Other operating income	3	<u>14,884</u>	<u>120,640</u>
OPERATING PROFIT	5	1,187,008	758,805
Interest receivable and similar income		<u>876</u>	<u>25</u>
		1,187,884	758,830
Interest payable and similar expenses	6	<u>(55,161)</u>	<u>(42,306)</u>
PROFIT BEFORE TAXATION		1,132,723	716,524
Tax on profit	7	<u>(146,673)</u>	<u>(191,767)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>986,050</u>	<u>524,757</u>

The notes form part of these financial statements

Trueline Expanded Products Ltd. (Registered number: 02907163)

**Other Comprehensive Income
for the year ended 31 October 2022**

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		986,050	524,757
OTHER COMPREHENSIVE INCOME		—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>986,050</u>	<u>524,757</u>

The notes form part of these financial statements

Trueline Expanded Products Ltd. (Registered number: 02907163)

**Balance Sheet
31 October 2022**

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	9		2,295,221		1,830,282
CURRENT ASSETS					
Stocks	10	1,109,040		805,185	
Debtors: amounts falling due within one year	11	2,571,491		2,701,396	
Debtors: amounts falling due after more than one year	11	2,068,172		1,936,397	
Cash at bank		<u>383,962</u>		<u>464,946</u>	
		6,132,665		5,907,924	
CREDITORS					
Amounts falling due within one year	12	<u>2,407,492</u>		<u>2,517,990</u>	
NET CURRENT ASSETS			<u>3,725,173</u>		<u>3,389,934</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,020,394		5,220,216
CREDITORS					
Amounts falling due after more than one year	13		(1,291,105)		(900,064)
PROVISIONS FOR LIABILITIES	18		<u>(374,718)</u>		<u>(216,631)</u>
NET ASSETS			<u>4,354,571</u>		<u>4,103,521</u>
CAPITAL AND RESERVES					
Called up share capital	19		10,000		10,000
Revaluation reserve	20		282,303		282,303
Retained earnings	20		<u>4,062,268</u>		<u>3,811,218</u>
SHAREHOLDERS' FUNDS			<u>4,354,571</u>		<u>4,103,521</u>

The financial statements were approved by the Board of Directors and authorised for issue on 14 July 2023 and were signed on its behalf by:

L G W Wellings - Director

The notes form part of these financial statements

**Statement of Changes in Equity
for the year ended 31 October 2022**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 November 2020	10,000	3,850,961	282,303	4,143,264
Changes in equity				
Dividends	-	(564,500)	-	(564,500)
Total comprehensive income	-	524,757	-	524,757
Balance at 31 October 2021	10,000	3,811,218	282,303	4,103,521
Changes in equity				
Dividends	-	(735,000)	-	(735,000)
Total comprehensive income	-	986,050	-	986,050
Balance at 31 October 2022	10,000	4,062,268	282,303	4,354,571

The notes form part of these financial statements

**Cash Flow Statement
for the year ended 31 October 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	891,909	1,032,302
Interest paid		(24,535)	(21,554)
Interest element of hire purchase payments paid		(29,795)	(20,752)
Tax paid		-	(38,718)
Net cash from operating activities		<u>837,579</u>	<u>951,278</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(160,770)	(53,726)
Sale of tangible fixed assets		218,600	103,144
Sale of investment property		-	158,488
Interest received		876	25
Net cash from investing activities		<u>58,706</u>	<u>207,931</u>
Cash flows from financing activities			
Loan repayments in year		(31,965)	(32,428)
Capital repayments in year		(266,463)	(178,564)
Amount introduced by directors		56,159	-
Amount withdrawn by directors		-	(65,038)
Equity dividends paid		(735,000)	(564,500)
Net cash from financing activities		<u>(977,269)</u>	<u>(840,530)</u>
(Decrease)/increase in cash and cash equivalents		<u>(80,984)</u>	<u>318,679</u>
Cash and cash equivalents at beginning of year	2	<u>464,946</u>	<u>146,267</u>
Cash and cash equivalents at end of year	2	<u><u>383,962</u></u>	<u><u>464,946</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the year ended 31 October 2022**

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

	2022	2021
	£	£
Profit before taxation	1,132,723	716,524
Depreciation charges	323,054	274,693
Loss/(profit) on disposal of fixed assets	27,417	(18,223)
Finance costs	55,161	42,306
Finance income	(876)	(25)
	1,537,479	1,015,275
Increase in stocks	(303,855)	(276,120)
Increase in trade and other debtors	(65,622)	(666,288)
(Decrease)/increase in trade and other creditors	(276,093)	959,435
Cash generated from operations	<u>891,909</u>	<u>1,032,302</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 October 2022

	31/10/22	1/11/21
	£	£
Cash and cash equivalents	<u>383,962</u>	<u>464,946</u>

Year ended 31 October 2021

	31/10/21	1/11/20
	£	£
Cash and cash equivalents	<u>464,946</u>	<u>146,267</u>

Notes to the Cash Flow Statement
for the year ended 31 October 2022

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/11/21 £	Cash flow £	Other non-cash changes £	At 31/10/22 £
Net cash				
Cash at bank	<u>464,946</u>	<u>(80,984)</u>		<u>383,962</u>
	<u>464,946</u>	<u>(80,984)</u>		<u>383,962</u>
Debt				
Finance leases	(459,091)	266,463	(873,239)	(1,065,867)
Debts falling due within 1 year	(33,503)	3,043	-	(30,460)
Debts falling due after 1 year	<u>(517,546)</u>	<u>28,923</u>	<u>-</u>	<u>(488,623)</u>
	<u>(1,010,140)</u>	<u>298,429</u>	<u>(873,239)</u>	<u>(1,584,950)</u>
Total	<u>(545,194)</u>	<u>217,445</u>	<u>(873,239)</u>	<u>(1,200,988)</u>

**Notes to the Financial Statements
for the year ended 31 October 2022**

1. STATUTORY INFORMATION

Trueline Expanded Products 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 as modified by the revaluation of certain assets.

The presentation currency of these financial statements is sterling (£) and they are rounded to the nearest £1.

Significant judgements and estimates

In the course of preparing the financial statements, no judgements have been made in the process of applying the Company's accounting policies, other than those involving estimations, that have had a significant effect on the amounts recognised in the financial statements.

Turnover

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

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point the customer has signed for the delivery of goods.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Long leasehold	- 2% on cost
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 33% on cost and 20% on reducing balance
Motor vehicles	- 25% on reducing balance

The Long leasehold property is included at a deemed cost valuation from first implementation of FRS 102 in 2016. Depreciation is being provided at 2% on this value. The company has not adopted a revaluation policy.

Government grants

Government grants relating to revenue are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment.

Grants relating to fixed assets are recognised in the income statement on a systematic basis over the expected useful life of the assets. The deferred element is disclosed in creditors as 'Deferred government grants'.

**Notes to the Financial Statements - continued
for the year ended 31 October 2022**

2. ACCOUNTING POLICIES - continued

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

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

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

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.

**Notes to the Financial Statements - continued
for the year ended 31 October 2022**

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

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.

Financial instruments

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

All financial assets and liabilities are initially measured at transactions price, except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value. If an arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments that have no stated interest rate and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are only derecognised when the contractual rights to the cash flows from the financial asset expire or are settled, when the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or when the company has transferred control of the asset to another party.

Financial liabilities are only derecognised when the obligation is discharged, cancelled or expired.

3. OTHER OPERATING INCOME

	2022	2021
	£	£
Rents received	-	600
Sundry receipts	1,017	-
Government grants	13,867	119,721
Exchange gains	-	319
	<u>14,884</u>	<u>120,640</u>

Grants received in the year are made up of deferred grants for asset purchases. 2021 includes grants for the same purpose as well as grants for the Coronavirus Job Retention Scheme.

Notes to the Financial Statements - continued
for the year ended 31 October 2022

4. **EMPLOYEES AND DIRECTORS**

	2022	2021
	£	£
Wages and salaries	1,629,299	1,459,510
Social security costs	168,524	134,937
Other pension costs	34,949	30,286
	<u>1,832,772</u>	<u>1,624,733</u>

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

	2022	2021
Factory	35	39
Office	24	21
	<u>59</u>	<u>60</u>

	2022	2021
	£	£
Directors' remuneration	150,739	107,492
Directors' pension contributions to money purchase schemes	<u>1,782</u>	<u>1,658</u>

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

Money purchase schemes	<u>3</u>	<u>3</u>
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5. **OPERATING PROFIT**

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

	2022	2021
	£	£
Hire of plant and machinery	30,663	27,502
Depreciation - owned assets	160,712	171,006
Depreciation - assets on hire purchase contracts	162,340	103,688
Loss/(profit) on disposal of fixed assets	27,417	(18,223)
Auditors' remuneration	15,953	13,000
Foreign exchange differences	<u>5,739</u>	<u>(319)</u>

Notes to the Financial Statements - continued
for the year ended 31 October 2022

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest	1,853	2,258
Bank loan interest	22,682	19,294
Interest on overdue taxation	831	2
Hire purchase	<u>29,795</u>	<u>20,752</u>
	<u>55,161</u>	<u>42,306</u>

7. TAXATION

Analysis of the tax charge

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

	2022	2021
	£	£
Current tax:		
UK corporation tax	65,788	128,308
Prior year tax adjustment	<u>(77,203)</u>	<u>-</u>
Total current tax	<u>(11,415)</u>	<u>128,308</u>
Deferred tax	<u>158,088</u>	<u>63,459</u>
Tax on profit	<u>146,673</u>	<u>191,767</u>

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:

	2022	2021
	£	£
Profit before tax	<u>1,132,723</u>	<u>716,524</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	215,217	136,140
Effects of:		
Expenses not deductible for tax purposes	8,802	8,184
Depreciation in excess of capital allowances	-	12,714
Utilisation of tax losses	-	(25,268)
Adjustments to tax charge in respect of previous periods	<u>(77,203)</u>	<u>-</u>
Deferred taxation provision over standard rate	42,765	63,459
Enhanced capital allowances	<u>(46,436)</u>	<u>(3,462)</u>
Deferred taxation adjustment prior period	<u>3,528</u>	<u>-</u>
Total tax charge	<u>146,673</u>	<u>191,767</u>

Notes to the Financial Statements - continued
for the year ended 31 October 2022

7. **TAXATION - continued**

Factors that may affect future tax charges

From 1 April 2023 the corporation tax main rate will increase to 25% for profits over £250,000. A small profits rate will also be introduced for profits of £50,000 or less, charging corporation tax at 19%. Profits between £50,000 and £250,000 will be taxed at the main rate reduced by a marginal relief providing a gradual increase in the effective rate of corporation tax rate.

The deferred taxation provision provided in these accounts has been apportioned between 25% and 19% as necessary.

8. **DIVIDENDS**

	2022 £	2021 £
Ordinary shares of £1 each		
Interim	<u>735,000</u>	<u>564,500</u>

9. **TANGIBLE FIXED ASSETS**

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 November 2021	850,000	1,799,524	153,709	504,115	3,307,348
Additions	-	645,114	57,826	331,069	1,034,009
Disposals	-	(469,346)	(73,323)	(198,534)	(741,203)
At 31 October 2022	<u>850,000</u>	<u>1,975,292</u>	<u>138,212</u>	<u>636,650</u>	<u>3,600,154</u>
DEPRECIATION					
At 1 November 2021	102,000	1,035,810	118,625	220,631	1,477,066
Charge for year	17,000	165,659	21,335	119,058	323,052
Eliminated on disposal	-	(326,031)	(72,059)	(97,095)	(495,185)
At 31 October 2022	<u>119,000</u>	<u>875,438</u>	<u>67,901</u>	<u>242,594</u>	<u>1,304,933</u>
NET BOOK VALUE					
At 31 October 2022	<u>731,000</u>	<u>1,099,854</u>	<u>70,311</u>	<u>394,056</u>	<u>2,295,221</u>
At 31 October 2021	<u>748,000</u>	<u>763,714</u>	<u>35,084</u>	<u>283,484</u>	<u>1,830,282</u>

Notes to the Financial Statements - continued
for the year ended 31 October 2022

9. **TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 31 October 2022 is represented by:

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2015	212,140	-	-	-	212,140
Cost	637,860	1,975,292	138,212	636,650	3,388,014
	<u>850,000</u>	<u>1,975,292</u>	<u>138,212</u>	<u>636,650</u>	<u>3,600,154</u>

If leasehold property had not been revalued it would have been included at the following historical cost:

	2022 £	2021 £
Cost	637,680	637,680
Aggregate depreciation	<u>172,219</u>	<u>159,462</u>
Value of land in freehold land and buildings	<u>850,000</u>	<u>850,000</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 November 2021	374,700	277,316	652,016
Additions	590,000	283,239	873,239
Disposals	-	(133,440)	(133,440)
At 31 October 2022	<u>964,700</u>	<u>427,115</u>	<u>1,391,815</u>
DEPRECIATION			
At 1 November 2021	103,175	54,543	157,718
Charge for year	64,138	98,202	162,340
Eliminated on disposal	-	(60,695)	(60,695)
At 31 October 2022	<u>167,313</u>	<u>92,050</u>	<u>259,363</u>
NET BOOK VALUE			
At 31 October 2022	<u>797,387</u>	<u>335,065</u>	<u>1,132,452</u>
At 31 October 2021	<u>271,525</u>	<u>222,773</u>	<u>494,298</u>

Notes to the Financial Statements - continued
for the year ended 31 October 2022

10. **STOCKS**

	2022	2021
	£	£
Finished Goods	58,729	54,822
Raw materials	898,250	614,738
Work-in-progress	152,061	135,625
	<u>1,109,040</u>	<u>805,185</u>

11. **DEBTORS**

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	2,148,902	2,176,651
Other debtors	1,200	1,200
Staff loan	176,493	245,140
Directors' current accounts	39,692	95,195
Tax	64,635	-
S455 tax debtor	70,228	143,109
Accrued income	-	7,145
Prepayments	70,341	32,956
	<u>2,571,491</u>	<u>2,701,396</u>

Amounts falling due after more than one year:

Amounts owed from related party	2,068,172	1,936,397
	<u>2,068,172</u>	<u>1,936,397</u>

Aggregate amounts	<u>4,639,663</u>	<u>4,637,793</u>
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Notes to the Financial Statements - continued
for the year ended 31 October 2022

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 14)	30,460	33,503
Hire purchase contracts (see note 15)	307,762	132,039
Trade creditors	1,402,281	1,908,127
Tax	117,981	136,811
Social security and other taxes	52,758	74,137
Pension account	7,273	5,797
VAT	174,194	4,430
Other creditors	510	337
Wages control account	1,635	7,177
Directors' current accounts	665	9
Accrued expenses	300,880	201,756
Deferred government grants	11,093	13,867
	<u>2,407,492</u>	<u>2,517,990</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Bank loans (see note 14)	488,623	517,546
Hire purchase contracts (see note 15)	758,105	327,052
Amounts owed to related parties	4	-
Deferred government grants	44,373	55,466
	<u>1,291,105</u>	<u>900,064</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>30,460</u>	<u>33,503</u>
Amounts falling due between one and two years:		
Bank loans - 1- 5 years	<u>140,181</u>	<u>145,990</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>348,442</u>	<u>371,556</u>

Notes to the Financial Statements - continued
for the year ended 31 October 2022

14. **LOANS - continued**

The bank loan is repayable by instalments. Interest is charged at a variable interest rate of 3.30% per annum above Bank of England base rate..

15. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase	contracts
	2022	2021
	£	£
Net obligations repayable:		
Within one year	307,762	132,039
Between one and five years	<u>758,105</u>	<u>327,052</u>
	<u>1,065,867</u>	<u>459,091</u>
	Non-cancellable	operating
	2022	leases
	£	2021
Within one year	21,907	4,876
Between one and five years	87,627	-
In more than five years	<u>5,477</u>	<u>-</u>
	<u>115,011</u>	<u>4,876</u>

16. **SECURED DEBTS**

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank loans	519,083	551,049
Hire purchase contracts	<u>1,065,867</u>	<u>459,091</u>
	<u>1,584,950</u>	<u>1,010,140</u>

The bank loans are secured by a 1st Legal charges over the commercial leasehold know as Plot 8 Park Place, Firs Industrial Estate, Kidderminster, DY11 7QN dated 01/05/2008.

Also there is an unlimited debenture dated 18/04/2008 incorporating fixed and floating charge.

Hire purchase agreements are secured by £1,132,452 worth of fixed assets withing the company.

Notes to the Financial Statements - continued
for the year ended 31 October 2022

17. **FINANCIAL INSTRUMENTS**

The carrying value of the company's financial assets and liabilities are summarised by category below:

	2022 £	2021 £
Financial assets		
Measured at undiscounted amount receivable		
- Trade and other debtors	4,686,110	4,466,533
Financial liabilities		
Measured at undiscounted amount payable		
- Trade and other creditors	3,298,198	3,133,406

18. **PROVISIONS FOR LIABILITIES**

	2022 £	2021 £
Deferred tax		
Accelerated capital allowances	<u>374,718</u>	<u>216,631</u>
		Deferred tax
		£
Balance at 1 November 2021		216,631
Provided during year		<u>158,087</u>
Balance at 31 October 2022		<u>374,718</u>

19. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2022 £	2021 £
10,000	Ordinary		<u>10,000</u>	<u>10,000</u>

20. **RESERVES**

	Retained earnings £	Revaluation reserve £	Totals £
At 1 November 2021	3,811,218	282,303	4,093,521
Profit for the year	986,050		986,050
Dividends	<u>(735,000)</u>		<u>(735,000)</u>
At 31 October 2022	<u>4,062,268</u>	<u>282,303</u>	<u>4,344,571</u>

Notes to the Financial Statements - continued
for the year ended 31 October 2022

21. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 31 October 2022 and 31 October 2021:

	2022 £	2021 £
L G W Wellings		
Balance outstanding at start of year	95,195	30,217
Amounts advanced	14,338	235,012
Amounts repaid	(69,841)	(170,034)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>39,692</u>	<u>95,195</u>
S Mares and Mrs A M Mares		
Balance outstanding at start of year	-	-
Amounts advanced	313,335	211,509
Amounts repaid	(313,335)	(211,509)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>-</u>

The directors advances are repayable on demand and no interest has been charged.

The amount advanced to Mr S Mares and Mrs A Mares represents the maximum outstanding before the dividend paid on 31 October 2022.

22. **RELATED PARTY DISCLOSURES**

Entities under common control

	2022 £	2021 £
Sales	18,652	7,451
Purchases	338,500	209,000
Transfers	304,388	(43,859)
Amount due from related party	<u>2,068,168</u>	<u>1,936,397</u>

The transactions above relate to entities controlled by the same individuals as who control Trueline Expanded Products Ltd.

Other related parties

	2022 £	2021 £
Transfers	(68,747)	25,373
Amount due from related party	<u>176,393</u>	<u>345,140</u>

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