

Company registration number 02909297 (England and Wales)

VIL HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

VIL HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr A W Wallen Mrs W E Wallen Mr R W Wallen Mrs S W Richardson Mr P W Richardson Mr J W Wallen Mrs S L Wallen Mrs E L Wallen
Secretary	Mr P W Richardson
Company number	02909297
Registered office	Union Road Bolton
Auditor	Barlow Andrews LLP Carlyle House 78 Chorley New Road Bolton
Bankers	HSBC Bank Plc 1-3 Victoria Square Bolton
Solicitors	Fieldings Porter Silverwell House Silverwell Street Bolton

VIL HOLDINGS LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Profit and loss account	9
Group balance sheet	10
Company balance sheet	11
Group statement of changes in equity	12
Company statement of changes in equity	13
Group statement of cash flows	14
Notes to the financial statements	15 - 32

VIL HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present the strategic report for the year ended 30 September 2022.

Fair review of the business

The key performance indicators are turnover £30,231,114 in 2022 (2021: £25,951,426) and gross profit margin of 23.15% (2021: 27.15%).

In the year ending 2022, VIL Holdings subsidiaries have continued to succeed in their individual industries and markets. Liquid Science have continued to expand their capabilities during a continued time of high raw material prices and rising overheads, which has had a negative impact on all UK manufacturing during the trading year. By investing in new customers and markets, the subsidiary has continued to invest heavily in their production capabilities. Adding further specialist staff members, in all areas of the business, the company continues to position themselves well amongst their competitors in the market, with high successes.

With similar challenges of rising costs and overheads, VIL Resins continues to manage the current challenges that exist within UK manufacturing. The continued positive performance, highlights the strength of the company, to still thrive during difficult periods in the wider economy. Development and product diversification is a key part of the company's long term objectives. With further projects planned for its production capabilities and product development, the manufacturing company will continue to support the demands of its established customer base, whilst also developing the new opportunities that shape the future of the market.

As the newest subsidiary to the group Aquilon Projects has continued to expand its own portfolio during the year. With further new projects taken on, the company will continue to expand in to diverse areas of the property market. With the uncertainty of the industry for 2023, Aquilon will look to take opportunities that complement and strengthen, to build on the foundations of its current property portfolio.

Finally, as the parent company to the group, VIL Holdings' investment portfolios have reflected a difficult year in world economics. Whilst the directors have accepted a better performance than a number of global benchmarks, it still highlights the difficult trading environment of worldwide equity markets. As a stand alone company, VIL Holdings shows a downturn in valuations, thus affecting its own profitability and that of the consolidated accounts as a whole. However, with a more optimistic view for equity markets for 2023, and the continued success of its subsidiaries, VIL Holdings is well placed to capitalise on any opportunity presented within its varied industries and markets.

Principal risks and uncertainties

Health & Safety - Within the activities of the group, the directors continually recognise the high level of importance when it comes to H&S in all its subsidiaries. Thus, each process of the businesses will continue to carry out regular risk assessments to ensure a safe working environment and provide internal controls of each process. The group further supports its environmental responsibilities, within each subsidiary, and supports the key regulations that ensure our surrounding environments are maintained in their natural states.

Competition - The group operates in very competitive markets and the continued growth of each subsidiary is dependent on maintaining customer relationships and developing new products specific to each customer specific need. The group hopes to achieve these objectives by providing a first-class service and through competitive pricing policies.

Financial Instruments and Currency Risks - The group's principal financial instruments comprise of bank balances, trade creditors and currency exchanges. It is these instruments that allows the company to move forward with its operations.

The group trades with some of its customers and suppliers in foreign currencies, which results in risks of currency fluctuations. The group manages the risk by using the facility of a Euro bank account and ensuring that the net effect of creditors and debtors is closely monitored.

Credit risk from trade debtors is managed by operating strict credit control procedures, including detailed credit reference checks on new customers, regular reviews of credit limits and monitoring payments received.

Within the holdings company the group is exposed to investment risk as its manages its portfolios against the fluctuations of investment markets. This risk is managed by involving directors with the direct decision making of the portfolio managers who provide their professional advice and guidance.

VIL HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

On behalf of the board

Mr A W Wallen

Director

28 February 2023

VIL HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present their annual report and financial statements for the year ended 30 September 2022.

Principal activities

The principal activities of the company are the provision of management services to its trading subsidiaries and the management of the company's other assets by monitoring performance and making appropriate investment decisions. The principal activities of the subsidiaries are the manufacture and sale of surface coating resins, the manufacture and distribution of chemicals and ancillary products and the development of building projects.

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £900,282. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A W Wallen
Mrs W E Wallen
Mr R W Wallen
Mrs S W Richardson
Mr P W Richardson
Mr J W Wallen
Mrs S L Wallen
Mrs E L Wallen

Research and development

Research and development activities continue to be a high priority with the development of new products and maintaining the quality of existing products.

Future developments

Opportunity is a key objective for the group's future development. As a stand alone company and in its individual subsidiaries, VIL Holdings is well placed to invest in any new prospects. With its strong financial position, the group can further develop each company and continue to build its successes.

Investment will be another key principal, as each subsidiary has its own longer terms objectives to achieve. From the manufacturing, to the property developments and finishing in the equity portfolios, each company will have the resources available to invest in its individual future.

Auditor

In accordance with the company's articles, a resolution proposing that Barlow Andrews LLP be reappointed as auditor of the group will be put at a General Meeting.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of Financial Instruments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

VIL HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

On behalf of the board

Mr A W Wallen
Director

28 February 2023

VIL HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors are responsible for preparing the Annual 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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

VIL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIL HOLDINGS LIMITED

Opinion

We have audited the financial statements of VIL Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2022 which comprise the Group Profit and Loss Account, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows 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 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 group's and the parent company's affairs as at 30 September 2022 and of the group's 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 group and parent 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 group's and parent 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 course of 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 our 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.

VIL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF VIL HOLDINGS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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, 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 parent 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 parent company or to cease operations, or have no realistic alternative but to do so.

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.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with directors and other management, and from our commercial knowledge and experience of the resin and chemical manufacturing sector, the property development sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

VIL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF VIL HOLDINGS LIMITED

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

Philip Riding (Senior Statutory Auditor)
For and on behalf of Barlow Andrews LLP

28 February 2023

Chartered Accountants
Statutory Auditor

Carlisle House
78 Chorley New Road
Bolton

VIL HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	30,231,114	25,951,426
Cost of sales		(23,232,186)	(18,904,732)
Gross profit		6,998,928	7,046,694
Distribution costs		(1,471,420)	(1,404,383)
Administrative expenses		(2,531,441)	(2,313,939)
Other operating income		6,090	97,749
Operating profit	4	3,002,157	3,426,121
Interest receivable and similar income	8	(4,386,557)	3,331,753
Interest payable and similar expenses	9	(107,684)	(110,547)
(Loss)/profit before taxation		(1,492,084)	6,647,327
Tax on (loss)/profit	10	135,336	(1,174,445)
(Loss)/profit for the financial year		(1,356,748)	5,472,882

(Loss)/profit for the financial year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There is no other comprehensive income for the year. The total comprehensive income is the profit for the financial year shown above.

VIL HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Goodwill	12	1,066,031		1,348,325	
Tangible assets	13	10,329,492		9,863,631	
Investment properties	14	981,852		368,930	
		<u>12,377,375</u>		<u>11,580,886</u>	
Current assets					
Stocks	18	6,311,860		4,782,860	
Debtors	19	7,311,665		5,537,060	
Investments	20	13,312,052		19,010,859	
Cash at bank and in hand		2,490,604		4,030,256	
		<u>29,426,181</u>		<u>33,361,035</u>	
Creditors: amounts falling due within one year	21	<u>(7,305,546)</u>		<u>(7,644,149)</u>	
Net current assets		<u>22,120,635</u>		<u>25,716,886</u>	
Total assets less current liabilities		<u>34,498,010</u>		<u>37,297,772</u>	
Provisions for liabilities					
Deferred tax liability	22	<u>(967,894)</u>		<u>(1,524,554)</u>	
			(967,894)		(1,524,554)
Government grants			<u>(21,739)</u>		<u>(7,811)</u>
Net assets		<u>33,508,377</u>		<u>35,765,407</u>	
Capital and reserves					
Called up share capital	24	500		500	
Capital redemption reserve	25	500		500	
Other reserves	26	3,499,500		3,499,500	
Profit and loss reserves		<u>30,007,877</u>		<u>32,264,907</u>	
Total equity		<u>33,508,377</u>		<u>35,765,407</u>	

The financial statements were approved by the board of directors and authorised for issue on 28 February 2023 and are signed on its behalf by:

Mr A W Wallen
Director

Company registration number 02909297 (England and Wales)

VIL HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 30 SEPTEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	13	2,906,667		2,957,500	
Investments	15	3,375,367		3,375,367	
		<u>6,282,034</u>		<u>6,332,867</u>	
Current assets					
Debtors	19	5,426,292		3,645,292	
Investments	20	13,312,052		19,010,859	
Cash at bank and in hand		700,303		2,008,190	
		<u>19,438,647</u>		<u>24,664,341</u>	
Creditors: amounts falling due within one year	21	<u>(2,635,358)</u>		<u>(3,053,735)</u>	
Net current assets		<u>16,803,289</u>		<u>21,610,606</u>	
Total assets less current liabilities		<u>23,085,323</u>		<u>27,943,473</u>	
Provisions for liabilities					
Deferred tax liability	22	(23,618)		(981,763)	
		<u>(23,618)</u>		<u>(981,763)</u>	
Net assets		<u>23,061,705</u>		<u>26,961,710</u>	
Capital and reserves					
Called up share capital	24	500		500	
Profit and loss reserves		23,061,205		26,961,210	
Total equity		<u>23,061,705</u>		<u>26,961,710</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £2,999,723 (2021 - £3,378,549 profit).

The financial statements were approved by the board of directors and authorised for issue on 28 February 2023 and are signed on its behalf by:

Mr A W Wallen
Director

Company registration number 02909297 (England and Wales)

VIL HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	Share capital £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 October 2020		500	500	3,499,500	28,816,901	32,317,401
Year ended 30 September 2021:						
Profit and total comprehensive income for the year		-	-	-	5,472,882	5,472,882
Dividends	11	-	-	-	(2,024,876)	(2,024,876)
Balance at 30 September 2021		500	500	3,499,500	32,264,907	35,765,407
Year ended 30 September 2022:						
Loss and total comprehensive income for the year		-	-	-	(1,356,748)	(1,356,748)
Dividends	11	-	-	-	(900,282)	(900,282)
Balance at 30 September 2022		500	500	3,499,500	30,007,877	33,508,377

VIL HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2022

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 October 2020		500	25,607,537	25,608,037
Year ended 30 September 2021:				
Profit and total comprehensive income for the year		-	3,378,549	3,378,549
Dividends	11	-	(2,024,876)	(2,024,876)
Balance at 30 September 2021		500	26,961,210	26,961,710
Year ended 30 September 2022:				
Loss and total comprehensive income for the year		-	(2,999,723)	(2,999,723)
Dividends	11	-	(900,282)	(900,282)
Balance at 30 September 2022		500	23,061,205	23,061,705

VIL HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	30	105,066	4,606,919
Interest paid		(107,684)	(110,547)
Income taxes paid		(244,079)	(203,000)
Net cash (outflow)/inflow from operating activities		(246,697)	4,293,372
Investing activities			
Purchase of tangible fixed assets		(996,993)	(718,397)
Proceeds from disposal of tangible fixed assets		95,434	7,427
Purchase of investment property		(612,922)	(368,930)
Net movement on purchase/sales of investments		1,114,635	(111,753)
Interest received		553	407
Dividends received		197,062	163,554
Net cash used in investing activities		(202,231)	(1,027,692)
Financing activities			
Dividends paid to equity shareholders		(900,282)	(2,024,876)
Net cash used in financing activities		(900,282)	(2,024,876)
Net (decrease)/increase in cash and cash equivalents		(1,349,210)	1,240,804
Cash and cash equivalents at beginning of year		3,839,772	2,598,968
Cash and cash equivalents at end of year		2,490,562	3,839,772
Relating to:			
Cash at bank and in hand		2,490,604	4,030,256
Bank overdrafts included in creditors payable within one year		(42)	(190,484)

VIL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

Company information

Vil Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Union Road, Bolton.

The group consists of Vil Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Vil Holdings Limited together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 30 September 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

VIL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Turnover includes income derived from properties occupied by tenants during the year. Income that is invoiced in advance or arrears is apportioned so that only that relating to the period of the financial statements is included in turnover.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is between 10% and 15% on cost.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold Buildings	2% - 2.5% straight line
Leasehold Land and buildings	6 2/3% straight line
Plant and machinery	6 2/3% - 33% straight line
Fixtures, fittings & equipment	6 2/3% - 15% straight line
Computer equipment	33% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.8 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

VIL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.12 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

VIL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.13 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

VIL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.14 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

VIL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.19 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.21 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2022 £	2021 £
Turnover analysed by class of business		
Sale of goods	30,190,967	25,942,214
Rental income	40,147	9,212
	<u>30,231,114</u>	<u>25,951,426</u>

VIL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

3 Turnover and other revenue (Continued)

	2022	2021
	£	£
Other revenue		
Gains/(losses) on fair value of investments	(4,583,619)	3,168,199
Dividends received	197,062	163,554
Grants received	944	93,791
	<u> </u>	<u> </u>

In the opinion of the directors, it would be seriously prejudicial to disclose turnover by geographical location. The directors have therefore taken advantage of the exemption to omit this disclosure.

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	15,112	32,618
Research and development costs	485,851	402,344
Government grants	(944)	(93,791)
Depreciation of owned tangible fixed assets	527,854	296,438
(Profit)/loss on disposal of tangible fixed assets	(92,156)	9,768
Amortisation of intangible assets	282,294	282,295
Operating lease charges	22,624	990
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	5,600	5,125
Audit of the financial statements of the company's subsidiaries	22,280	16,390
	<u> </u>	<u> </u>
	27,880	21,515
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Production staff	31	31	-	-
Sales and distribution staff	18	21	-	-
Administration and technical staff	28	23	8	8
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	77	75	8	8
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

VIL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

6 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	2,611,506	2,562,578	228,221	181,144
Social security costs	249,296	227,299	22,822	17,305
Pension costs	294,753	196,689	194,646	134,770
	<u>3,155,555</u>	<u>2,986,566</u>	<u>445,689</u>	<u>333,219</u>

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	423,488	387,532
Company pension contributions to defined contribution schemes	199,820	139,937
	<u>623,308</u>	<u>527,469</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2021 - 6).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	96,227	73,748
Company pension contributions to defined contribution schemes	39,038	39,227
	<u>135,265</u>	<u>112,975</u>

The directors are also considered to be the key management personnel.

8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	553	407
Other income from investments		
Dividends received	197,062	163,554
Gains/(losses) on financial instruments measured at fair value through profit or loss	(4,584,172)	3,167,792
Total income	<u>(4,386,557)</u>	<u>3,331,753</u>

VIL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

8 Interest receivable and similar income (Continued)

Investment income includes the following:

Dividends from financial assets measured at fair value through profit or loss	197,062	163,554
---	---------	---------

9 Interest payable and similar expenses

	2022	2021
	£	£
Other interest on financial liabilities	107,684	110,547

10 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	425,206	530,658
Adjustments in respect of prior periods	(3,882)	(8,253)
Total current tax	421,324	522,405
Deferred tax		
Origination and reversal of timing differences	(556,660)	652,040
Total tax (credit)/charge	(135,336)	1,174,445

The actual (credit)/charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
(Loss)/profit before taxation	(1,492,084)	6,647,327
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(283,496)	1,262,992
Tax effect of expenses that are not deductible in determining taxable profit	(135)	1,132
Amortisation on assets not qualifying for tax allowances	52,033	52,033
Research and development tax credit	(120,005)	(99,379)
Under/(over) provided in prior years	(3,882)	(8,253)
Realised gains taxable	92,095	161,492
Unrealised gains not taxable	870,993	(601,880)
Deferred tax movement in excess of depreciation and capital allowances	(742,939)	406,308
Taxation (credit)/charge	(135,336)	1,174,445

VIL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

11 Dividends

	2022	2021
	£	£
Recognised as distributions to equity holders:		
Interim paid	900,282	2,024,876

12 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 October 2021 and 30 September 2022	2,794,829
Amortisation and impairment	
At 1 October 2021	1,446,504
Amortisation charged for the year	282,294
At 30 September 2022	1,728,798
Carrying amount	
At 30 September 2022	1,066,031
At 30 September 2021	1,348,325

The company had no intangible fixed assets at 30 September 2022 or 30 September 2021.

VIL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

13 Tangible fixed assets

Group	Freehold Buildings	Leasehold Buildings and buildings	Land and machinery	Plant and fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 October 2021	5,861,543	133,572	8,047,792	452,900	67,917	265,322	14,829,046
Additions	-	44,559	652,495	-	9,630	290,309	996,993
Disposals	-	(1,000)	(11,904)	-	(40,124)	(185,682)	(238,710)
At 30 September 2022	5,861,543	177,131	8,688,383	452,900	37,423	369,949	15,587,329
Depreciation and impairment							
At 1 October 2021	394,751	14,670	3,920,462	330,863	56,470	248,199	4,965,415
Depreciation charged in the year	90,779	8,260	328,117	10,058	8,682	81,958	527,854
Eliminated in respect of disposals	-	(144)	(9,989)	-	(39,617)	(185,682)	(235,432)
At 30 September 2022	485,530	22,786	4,238,590	340,921	25,535	144,475	5,257,837
Carrying amount							
At 30 September 2022	5,376,013	154,345	4,449,793	111,979	11,888	225,474	10,329,492
At 30 September 2021	5,466,792	118,902	4,127,330	122,037	11,447	17,123	9,863,631

VIL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

Company		Freehold Buildings £
Cost		
At 1 October 2021 and 30 September 2022		3,033,333
Depreciation and impairment		
At 1 October 2021		75,833
Depreciation charged in the year		50,833
At 30 September 2022		126,666
Carrying amount		
At 30 September 2022		2,906,667
At 30 September 2021		2,957,500
14 Investment property		
	Group 2022 £	Company 2022 £
Fair value		
At 1 October 2021 and 30 September 2022		-
Additions through external acquisition		-
At 30 September 2022		-

Investment properties comprises 29-31 Knowsley Street, Bolton and Turner Bridge, Folds Road, Bolton. The fair value of the investment property has been arrived at by the directors based on the purchase price close to the year end.

VIL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

15 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	16	-	-	3,375,367	3,375,367

Movements in fixed asset investments Company

Cost or valuation

At 1 October 2021 and 30 September 2022	3,375,367
---	-----------

Carrying amount

At 30 September 2022	3,375,367
----------------------	-----------

At 30 September 2021	3,375,367
----------------------	-----------

16 Subsidiaries

Details of the company's subsidiaries at 30 September 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Clean Innovations Limited	Unit 6, Bentley Wood Way Network 65 Business Park, Hapton, Burnley	Dormant	Ordinary	0	100.00
Melpass Limited (formerly Liquid Science Solutions Limited)	Unit 6, Bentley Wood Way Network 65 Business Park, Hapton, Burnley	Dormant	Ordinary	0	100.00
Liquid Science Solutions Limited (formerly Melpass Limited)	Unit 6, Bentley Wood Way Network 65 Business Park, Hapton, Burnley	Manufacture and distribution of chemicals and ancillary products	Ordinary	100.00	-
Thaumaturgy (UK) Limited	Unit 6, Bentley Wood Way Network 65 Business Park, Hapton, Burnley	Dormant	Ordinary	0	100.00
Vil Resins Ltd	Union Road, Bolton	Manufacture of surface coating resins	Ordinary	100.00	-
Aquilon Projects Limited	Union Road, Bolton	Development of building projects	Ordinary	100.00	-

VIL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

17 Financial instruments

	Group 2022 £	2021 £	Company 2022 £	2021 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	9,310,504	9,121,818	n/a	n/a
Equity instruments measured at cost less impairment	13,312,052	19,010,859	n/a	n/a
Carrying amount of financial liabilities				
Measured at amortised cost	6,594,933	7,099,078	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

18 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Raw materials and consumables	4,199,300	3,467,012	-	-
Finished goods and goods for resale	2,112,560	1,315,848	-	-
	6,311,860	4,782,860	-	-

19 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	6,804,406	5,084,006	-	-
Amounts owed by group undertakings	-	-	5,426,034	3,645,034
Other debtors	15,494	7,556	258	258
Prepayments and accrued income	491,765	445,498	-	-
	7,311,665	5,537,060	5,426,292	3,645,292

20 Current asset investments

	Group 2022 £	2021 £	Company 2022 £	2021 £
Listed investments	13,312,052	19,010,859	13,312,052	19,010,859

VIL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

21 Creditors: amounts falling due within one year

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	42	190,484	-	-
Trade creditors	4,014,534	3,803,463	-	-
Corporation tax payable	398,127	220,882	268,392	243,114
Other taxation and social security	306,005	318,319	119,803	119,164
Government grants	6,481	5,870	-	-
Other creditors	2,242,692	2,685,397	2,235,740	2,677,724
Accruals and deferred income	337,665	419,734	11,423	13,733
	<u>7,305,546</u>	<u>7,644,149</u>	<u>2,635,358</u>	<u>3,053,735</u>

22 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	944,276	542,791
Unrealised gains on investments	23,618	981,763
	<u>967,894</u>	<u>1,524,554</u>
Company	Liabilities 2022 £	Liabilities 2021 £
Unrealised gains on investments	23,618	981,763
	<u>23,618</u>	<u>981,763</u>
Movements in the year:	Group 2022 £	Company 2022 £
Liability at 1 October 2021	1,524,554	981,763
Credit to profit or loss	(762,399)	(963,813)
Effect of change in tax rate - profit or loss	205,739	5,668
	<u>967,894</u>	<u>23,618</u>
Liability at 30 September 2022		

VIL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

23 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	294,753	196,689

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	500	500	500	500

The holders of ordinary shares are entitled to full voting rights and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

25 Capital redemption reserve

The capital redemption reserve records the nominal value of shares repurchased by the group.

26 Other reserves

Other reserves relates to funds set aside in respect of future projects.

27 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	22,624	24,724	-	-
Between two and five years	75,695	98,320	-	-
	98,319	123,044	-	-

VIL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

28 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Acquisition of tangible fixed assets	120,569	58,950	-	-

29 Directors' transactions

At the year end there was a balance of £2,235,740 due to the Directors (2021: £2,677,724). Interest has been paid in the year at 5% being £107,684 (2021: £110,547).

Dividends totalling £900,282 (2021: £2,024,876) were paid in the year in respect of shares in which the directors had an interest.

30 Cash generated from group operations

	2022 £	2021 £
(Loss)/profit for the year after tax	(1,356,748)	5,472,882
Adjustments for:		
Taxation (credited)/charged	(135,336)	1,174,445
Finance costs	107,684	110,547
Investment income	(197,062)	(163,961)
(Gain)/loss on fair value of investment portfolio	4,583,619	(3,167,792)
(Gain)/loss on disposal of tangible fixed assets	(92,156)	9,768
Amortisation and impairment of intangible assets	282,294	282,295
Depreciation and impairment of tangible fixed assets	527,854	296,438
Increase/(decrease) in deferred income	13,928	(1,209)
Movements in working capital:		
Increase in stocks	(1,529,000)	(2,317,838)
(Increase)/decrease in debtors	(1,923,505)	623,785
(Decrease)/increase in creditors	(177,117)	2,281,689
Increase in deferred income	611	5,870
Cash generated from operations	105,066	4,606,919

VIL HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

31 Analysis of changes in net funds - group

	1 October 2021	Cash flows	30 September 2022
	£	£	£
Cash at bank and in hand	4,030,256	(1,539,652)	2,490,604
Bank overdrafts	(190,484)	190,442	(42)
	<u>3,839,772</u>	<u>(1,349,210)</u>	<u>2,490,562</u>

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.