

Company Registration No. SC108168 (Scotland)

CARRON PHOENIX LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

CARRON PHOENIX LIMITED

COMPANY INFORMATION

Director	J Fischer
Secretary	D Orwin
Company number	SC108168
Registered office	West Carron Works Stenhouse Road Carron Falkirk FK2 8DR
Auditor	Hart Shaw LLP Europa Link Sheffield Business Park Sheffield S9 1XU

CARRON PHOENIX LIMITED

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CARRON PHOENIX LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The director presents the strategic report for the year ended 31 December 2021.

The loss for the year, after taxation, amounted to £313,000 (2020 - £160,000).

Turnover for the period was £2,785,000. Gross profit adjusted by distribution costs was 94% (in line with the previous year) on the provision of a logistics service to other companies within the Franke Group.

The company continues to provide logistic services to other companies within the Franke Group. Therefore the going concern principle has been applied in the preparation of these accounts.

The principle risks and uncertainties affecting the business include the following:

- The impact of Brexit and global economic uncertainty affecting demand from customers in the group supply chain.

Key areas of strategic development and performance of the business include:

- Development of the process to increase productivity
- Development of planning systems to support business performance

Key financial indicators include the monitoring of profitability.

By order of the board

D Orwin
Secretary
22 August 2022

CARRON PHOENIX LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The director presents his annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company continued to be that of providing logistics services to other companies within the Franke Group.

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Director

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

J Fischer

Auditor

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

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

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

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

Statement 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 company's auditor 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 company's auditor is aware of that information.

CARRON PHOENIX LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

By order of the board

D Orwin
Secretary

22 August 2022

CARRON PHOENIX LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARRON PHOENIX LIMITED

Opinion

We have audited the financial statements of Carron Phoenix Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

CARRON PHOENIX LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CARRON PHOENIX LIMITED

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud and the audit response

At the planning stage we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management, as required by auditing standards. The potential effect of any laws and regulation on the financial statements can vary considerably. There are laws and regulations that directly affect the financial statements (e.g. the Companies Act) as well as many other operational laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. Owing to the size, nature and complexity of the organisation and the applicable laws and regulations to which it must adhere, the risk of material misstatement was deemed to be low, therefore the procedures performed by the audit team were limited to:

- Communicating identified laws and regulations at planning throughout the audit team to remain alert to any indications of non-compliance throughout the audit.
- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

CARRON PHOENIX LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CARRON PHOENIX LIMITED

We have assessed the overall susceptibility of the financial statements to material misstatement due to fraud as low because the nature of the business does not particularly lend itself to fraud.

Management override is inherently high risk on any audit. Management override, which may cause there to be a material misstatement within the financial statements, may present itself in a number of ways, for example:

- Override of internal controls (e.g. segregation of duties)
- Entering into transactions outside the normal course of business, especially with related parties
- Fraudulent revenue recognition, including fictitious sales and sales being recorded in the wrong period

In order to reduce the risk of material misstatement to an acceptable level, numerous audit procedures were performed including:

- Enquiries of management as to whether they had any knowledge of any actual or suspected fraud
- Review of material journal entries made throughout the year as well as those made to prepare the financial statements
- Reviewing the underlying rationale behind transactions in order to assess whether they were outside the normal course of business
- Increased substantive testing across all material income streams

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected material misstatements in the financial statements, even though we have performed our audit in accordance with auditing standards. Furthermore, as with all audits, there is a higher risk of irregularities (especially those relating to fraud) being undetected, as these may involve the override of internal controls, collusion, intentional omissions and misrepresentations etc. We are not responsible for preventing non-compliance or fraud and therefore cannot be expected to detect all instances of such. Our audit was not designed to identify misstatements or other irregularities that would not be considered to be material to the financial statements. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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.

Adam Shield (Senior Statutory Auditor)
For and on behalf of Hart Shaw LLP

14 September 2022

Chartered Accountants
Statutory Auditor

Europa Link
Sheffield Business Park
Sheffield
S9 1XU

CARRON PHOENIX LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Notes	£000	as restated £000
Turnover	4	2,785	2,644
Cost of sales		(180)	(144)
Gross profit		<u>2,605</u>	<u>2,500</u>
Administrative expenses		(3,022)	(2,943)
Other operating income		9	141
Loss before taxation		<u>(408)</u>	<u>(302)</u>
Tax on loss	8	95	142
Loss for the financial year		<u><u>(313)</u></u>	<u><u>(160)</u></u>

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

CARRON PHOENIX LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	£000	£000	as restated £000	£000
Fixed assets					
Tangible assets	9		2,921		2,807
Current assets					
Debtors	10	814		890	
Cash at bank and in hand		2,825		3,051	
		<u>3,639</u>		<u>3,941</u>	
Creditors: amounts falling due within one year	11	<u>(529)</u>		<u>(629)</u>	
Net current assets			<u>3,110</u>		<u>3,312</u>
Total assets less current liabilities			6,031		6,119
Creditors: amounts falling due after more than one year	12		(135)		-
Provisions for liabilities					
Deferred tax liability	13	90		-	
		<u>(90)</u>		<u>-</u>	
Net assets			<u>5,806</u>		<u>6,119</u>
Capital and reserves					
Called up share capital	16		6,000		6,000
Profit and loss reserves			<u>(194)</u>		<u>119</u>
Total equity			<u>5,806</u>		<u>6,119</u>

The financial statements were approved and signed by the director and authorised for issue on 22 August 2022

J Fischer
Director

Company Registration No. SC108168

CARRON PHOENIX LIMITED

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

	Share capital	Profit and loss reserves	Total
	£000	£000	£000
As restated for the period ended 31 December 2020:			
Balance at 1 January 2020	6,000	328	6,328
Effect of change in accounting policy	-	(49)	(49)
	<u>6,000</u>	<u>279</u>	<u>6,279</u>
As restated	6,000	279	6,279
Year ended 31 December 2020:			
Loss and total comprehensive income for the year	-	(160)	(160)
	<u>6,000</u>	<u>119</u>	<u>6,119</u>
Balance at 31 December 2020	6,000	119	6,119
Year ended 31 December 2021:			
Loss and total comprehensive income for the year	-	(313)	(313)
	<u>6,000</u>	<u>(194)</u>	<u>5,806</u>
Balance at 31 December 2021	<u><u>6,000</u></u>	<u><u>(194)</u></u>	<u><u>5,806</u></u>

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Carron Phoenix Limited is a private company, limited by shares and incorporated in Scotland. The registered office is West Carron Works, Stenhouse Road, Carron, Falkirk, FK2 8DR.

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 £000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This 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:

- 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': 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;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Franke UK Holding Limited. These consolidated financial statements are available from its registered office, West Carron Works, Stenhouse Road, Carron, Falkirk, FK2 8DR.

1.2 Going concern

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

1.3 Turnover

Turnover represents the value, net of value added tax, of goods and services supplied to customers during the year. Revenue for goods and services is recognised at the point which goods and services have been received by the customer.

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

1.4 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 land and buildings	50 years straight line
Plant and equipment	2 to 10 years straight line
Fixtures and fittings	2 to 10 years 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 credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 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.

1.7 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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 company 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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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.

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.8 Equity instruments

Equity instruments issued by the company 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 company.

1.9 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 company'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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. 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 when the company has 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.

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

1.10 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 or fixed assets.

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.

1.11 Retirement benefits

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

1.12 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.

1.13 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.

2 Change in accounting policy

A change in accounting policy has occurred. The company's director have opted to include a property used by group for the distribution of goods at depreciated cost rather than as an investment property. This accounting policy choice became available from 1 January 2019 due to the inclusion of paragraph 16.4A within FRS102. The accounting policy change has been retrospectively applied from 1 January 2019 with valuation being used as deemed cost on that date. The policy has been changed to align with the policy of the group. See note 19 for more details of the effect on the accounts.

3 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

The director is of the opinion that there are no key estimates or assumptions which have a significant risk of causing a material misstatement.

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4	Turnover and other revenue		
		2021	2020
		£000	£000
	Turnover analysed by class of business		
	Rendering of services	2,785	2,644
		<u> </u>	<u> </u>
		2021	2020
		£000	£000
	Turnover analysed by geographical market		
	United Kingdom	2,785	2,644
		<u> </u>	<u> </u>
		2021	2020
		£000	£000
	Other significant revenue		
	Grants received	9	141
		<u> </u>	<u> </u>
5	Operating loss		
		2021	2020
		£000	£000
	Operating loss for the year is stated after charging/(crediting):		
	Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	-	260
	Government grants	(9)	(141)
	Depreciation of owned tangible fixed assets	159	156
		<u> </u>	<u> </u>
6	Auditor's remuneration		
		2021	2020
		£000	£000
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the company	5	5
		<u> </u>	<u> </u>
7	Employees		
	The average monthly number of persons (including directors) employed by the company during the year was:		
		2021	2020
		Number	Number
	Sales and marketing	33	34
		<u> </u>	<u> </u>

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Employees (Continued)

Their aggregate remuneration comprised:

	2021 £000	2020 £000
Wages and salaries	1,234	1,413
Social security costs	147	153
Pension costs	61	66
	<u>1,442</u>	<u>1,632</u>

8 Taxation

	2021 £000	2020 £000
Current tax		
UK corporation tax on profits for the current period	(101)	(87)
Adjustments in respect of prior periods	(84)	(55)
	<u>(185)</u>	<u>(142)</u>
Deferred tax		
Origination and reversal of timing differences	90	-
	<u>90</u>	<u>-</u>
Total tax credit	<u>(95)</u>	<u>(142)</u>

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

	2021 £000	2020 £000
Loss before taxation	<u>(408)</u>	<u>(302)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(78)	(57)
Tax effect of expenses that are not deductible in determining taxable profit	1	(1)
Change in unrecognised deferred tax	90	-
Adjustments in respect of prior years	(87)	(56)
Depreciation in excess of capital allowances	(21)	(28)
	<u>(95)</u>	<u>(142)</u>
Taxation credit for the year	<u>(95)</u>	<u>(142)</u>

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Tangible fixed assets	Freehold land and buildings £000	Assets under construction £000	Plant and equipment £000	Fixtures and fittings £000	Computer software £000	Total £000
Cost						
At 1 January 2021	2,594	9	1,281	82	1,274	5,240
Additions	-	13	260	-	-	273
Transfers	-	(9)	9	-	-	-
At 31 December 2021	<u>2,594</u>	<u>13</u>	<u>1,550</u>	<u>82</u>	<u>1,274</u>	<u>5,513</u>
Depreciation and impairment						
At 1 January 2021	101	-	986	72	1,274	2,433
Depreciation charged in the year	52	-	98	9	-	159
At 31 December 2021	<u>153</u>	<u>-</u>	<u>1,084</u>	<u>81</u>	<u>1,274</u>	<u>2,592</u>
Carrying amount						
At 31 December 2021	<u>2,441</u>	<u>13</u>	<u>466</u>	<u>1</u>	<u>-</u>	<u>2,921</u>
At 31 December 2020	<u>2,493</u>	<u>9</u>	<u>295</u>	<u>10</u>	<u>-</u>	<u>2,807</u>

10 Debtors	2021 £000	2020 £000
Amounts falling due within one year:		
Corporation tax recoverable	270	351
Amounts owed by group undertakings	194	279
Prepayments and accrued income	350	260
	<u>814</u>	<u>890</u>

Amounts owed by group undertakings are unsecured, interest free and repayable within standard trading terms.

11 Creditors: amounts falling due within one year	2021 £000	2020 £000
Trade creditors	105	134
Taxation and social security	55	63
Accruals and deferred income	369	432
	<u>529</u>	<u>629</u>

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Creditors: amounts falling due after more than one year

	Notes	2021 £000	2020 £000
Government grants	14	135	-

13 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £000	Liabilities 2020 £000
Balances:		
Accelerated capital allowances	90	-
	<u>90</u>	<u>-</u>
Movements in the year:		2021 £000
Liability at 1 January 2021		-
Charge to profit or loss		90
Liability at 31 December 2021		<u>90</u>

The deferred tax liability set out above relates to accelerated capital allowances that are expected to mature within the same period as the fixed assets.

14 Government grants

	2021 £000	2020 £000
Arising from government grants	135	-

The government grant is in relation to securing employment of staff in Scotland up to at least 31 March 2023. At this point it will be recognised within the statement of comprehensive income.

15 Retirement benefit schemes

	2021 £000	2020 £000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	61	66

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Share capital

	2021	2020	2021	2020
	Number	Number	£000	£000
Ordinary share capital Issued and fully paid				
ordinary shares of £1 each	6,000,002	6,000,002	6,000	6,000

17 Related party transactions

Transactions with related parties

As a wholly owned member of a group, the company is exempt from the requirements of FRS 102.33 to disclose transactions with other members of the group.

18 Ultimate controlling party

The Company is a subsidiary undertaking of Franke UK Holding Limited. The ultimate parent company is Artemis Holding AG.

The smallest group in which the results of the company are consolidated is that headed by Franke UK Holding Limited, West Carron Works, Stenhouse Road, Carron, Falkirk, FK2 8DR.

The largest group in which the results of the company are consolidated is that headed by Artemis Holding AG, 6052 Hergiswil, Switzerland. The consolidated financial statements of this group are not available to the public.

The ultimate controlling party is Michael Pieper.

19 Prior period adjustment

A change in accounting policy has occurred. The company's director has opted to include a property used by group for the distribution of goods at depreciated cost rather than as an investment property. This accounting policy choice became available from 1 January 2019 due to the inclusion of paragraph 16.4A within FRS102. The accounting policy change has been retrospectively applied from 1 January 2019 with valuation being used as deemed cost on that date.

Reconciliation of changes in equity

	Notes	1 January 2020 £000	31 December 2020 £000
Adjustments to prior year			
Depreciation on freehold property	1	(49)	(49)
Capitalising of works to property	2	-	144
Depreciation on freehold property	1	-	(52)
Total adjustments		(49)	43
Equity as previously reported		6,328	6,076
Equity as adjusted		6,279	6,119
Analysis of the effect upon equity			
Profit and loss reserves		(49)	43

CARRON PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 Prior period adjustment (Continued)

Reconciliation of changes in loss for the previous financial period

	Notes	2020 £000
Adjustments to prior year		
Depreciation on freehold property	1	-
Capitalising of works to property	2	144
Depreciation on freehold property	1	(52)
		<hr/>
Total adjustments		92
Loss as previously reported		(252)
		<hr/>
Loss as adjusted		(160)
		<hr/> <hr/>

Notes to reconciliation

1

£2.45m has been transferred from investment property to freehold land and buildings, as a result depreciation for the 2019 and 2020 year ends have also been adjusted for.

2

A number of improvements were carried out on the property during the year to December 2020, these improvements were previously expensed in line with the correct treatment for investment property however now the depreciated cost method is being retrospectively applied these improvements have been capitalised.

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.