

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
FOR
TRANSMISSION DEVELOPMENTS CO (GB) LTD

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FOR THE YEAR ENDED 31 MARCH 2022

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TRANSMISSION DEVELOPMENTS CO (GB) LTD

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2022

DIRECTORS:

I J Osborne
Mrs C A Osborne
C J Cowler

SECRETARY:

Mrs C A Osborne

REGISTERED OFFICE:

Dawkins Road
Hamworthy
Poole
Dorset
BH15 4HF

REGISTERED NUMBER:

01888295 (England and Wales)

AUDITORS:

John A Hyde & Co
Statutory Auditors
Accountants
Hyde House
19 Station Road
Addlestone
Surrey
KT15 2AL

SOLICITORS:

Humphries Kirk
Glebe House
North Street
Warcham
Dorset
BH20 4AN

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

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

REVIEW OF BUSINESS

Alongside a 21% increase in turnover, an increase in gross profit and gross profit margin was evident in the year. The gross profit increased by 28% and the gross profit margin improved from 35.5% to 37.5%. The directors are therefore pleased with the performance of the company, especially taking into account challenging market conditions.

At the balance sheet date, the net current assets of the company were £7,625,403, an improvement of 17.8% on the prior year. Retained earnings available for distribution also increased by 18.1% to £7,792,504. The directors are therefore pleased with the position of the company at the balance sheet date.

PRINCIPAL RISKS AND UNCERTAINTIES

Because of the activity of the company it is exposed to various financial risks. These include market risk, credit risk and liquidity risks. All such risks are monitored regularly in order to minimise any negative effects these may have on the company's financial performance.

Forecasts of the company's profitability, cash flow and liquidity positions are monitored by management on a regular basis.

A review by management on a monthly basis is carried out to ensure that all risks, including slowdown of industrial activity, loss or relocation of major suppliers or customers, loss of internal systems and loss of key employees are monitored and dealt with to minimise its impact.

KEY PERFORMANCE INDICATORS

The company maintains and monitors a number of key financial performance indicators to ensure that it is performing in accordance with expectations. The directors believe that the gross profit margin is the key indicator of the performance of the company during the year, and this has been analysed in the review of business above. The directors believe that the net current assets are the key indicator of the position of the company at the balance sheet date, these have been analysed in the review of business above.

FUTURE DEVELOPMENTS

The directors believe that the strong net current assets position of the company provides a strategic advantage as this enables the company to respond quickly to investment opportunities in equipment, machinery, software and stock without the need for external finance. The directors believe such investment will help maintain the volume of sales in 2022/2023 despite challenging market conditions.

The directors have identified that in order to build on the growth achieved in 2021/2022 and to withstand the difficult market conditions arising in 2022/2023, retention of the highly efficient and hard-working current team of employees would be essential. Since the balance sheet date, the company has therefore rewarded its entire work-force with an above inflation pay increase, both as a reward for their loyalty and commitment during the COVID-19 pandemic, and to ensure they can cope with the current cost of living pressures faced by everyone.

ON BEHALF OF THE BOARD:

Mrs C A Osborne - Secretary

13 February 2023

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2022

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of manufacturers and suppliers of transmission belts, pulleys and chains.

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of £0.22 per share.

The total distribution of dividends for the year ended 31 March 2022 will be £ 105,600 .

RESEARCH AND DEVELOPMENT

The company continues to carry out development work in its pursuit of new products and processes. The company also aims to improve its quality and profitability whilst remaining competitive in the market.

Any expenditure incurred, due to its immateriality in relation to the size of the company, is charged to the profit and loss account as incurred. An exception to this is expenditure incurred of a capital nature.

DIRECTORS

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

I J Osborne
Mrs C A Osborne
C J Cowler

EMPLOYEES

In order for the company to maintain its status as a leader in the manufacturing and distribution of mechanical power transmission components, it needs properly informed staff with a high level of training and motivation to succeed.

The company trains all new and existing staff to such level as to be able to familiarise themselves with products, markets, service standards and management skills in order to better satisfy the demands of the customer and thus enhancing their own career prospects at the same time.

The company has detailed policies regarding environmental and health and safety matters. These policies are applied throughout the whole of the company in order to ensure all procedures are up to date.

The company complies with relevant legislation including that specifically concerning disabled employees. The company provides equal opportunities for training, career development and promotion for disabled as for other employees.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, John A Hyde & Co, are deemed to be re-appointed in accordance with section 386 of the Companies Act 1985, which continues in force under the Companies Act 2006, by virtue of an elective resolution passed by the members on 14 November 1990.

ON BEHALF OF THE BOARD:

Mrs C A Osborne - Secretary

13 February 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TRANSMISSION DEVELOPMENTS CO (GB) LTD

Opinion

We have audited the financial statements of Transmission Developments Co (Gb) Ltd (the 'company') for the year ended 31 March 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TRANSMISSION DEVELOPMENTS CO (GB) LTD

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages three and four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TRANSMISSION DEVELOPMENTS CO (GB) LTD

Auditors' responsibilities for the audit of the financial statements

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

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

In planning and designing our audit tests, we identify and assess the risks of material misstatements within the financial statements, whether due to fraud or error. Our assessment of these risks includes consideration of the nature of the industry and sector, the control environment and the business performance along with the results of our enquiries of management, about their own identification and assessment of the risks of irregularities. We are also required to perform specific procedures to respond to the risk of management override of controls or procedures.

We have obtained an understanding of the legal and regulatory frameworks that the company operates in from discussions with the directors together with our knowledge of the company and its industry sector. We have focussed on the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and local tax legislation.

We performed the following audit procedures after consideration of the above risks which included the following:

- enquiry of management of actual and potential litigation and claims;
- reviewing correspondence with HMRC and the company's legal advisors;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of the business.

The engagement partner has assessed that all engagement team members were made aware of the relevant laws and regulations and potential fraud risks and were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TRANSMISSION DEVELOPMENTS CO (GB) LTD

Use of our report

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

John A Hyde (Senior Statutory Auditor)
for and on behalf of John A Hyde & Co
Statutory Auditors
Accountants
Hyde House
19 Station Road
Addlestone
Surrey
KT15 2AL

18 February 2023

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	31.3.22 £	31.3.21 £
TURNOVER	3	10,705,852	8,818,199
Cost of sales		<u>(6,688,168)</u>	<u>(5,684,945)</u>
GROSS PROFIT		4,017,684	3,133,254
Administrative expenses		<u>(2,421,616)</u>	<u>(2,183,908)</u>
		1,596,068	949,346
Other operating income		<u>3,500</u>	<u>3,500</u>
OPERATING PROFIT	5	1,599,568	952,846
Interest receivable and similar income		<u>113</u>	<u>486</u>
PROFIT BEFORE TAXATION		1,599,681	953,332
Tax on profit	6	<u>(300,176)</u>	<u>(183,872)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,299,505</u>	<u>769,460</u>

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	31.3.22	31.3.21
Notes	£	£
PROFIT FOR THE YEAR	1,299,505	769,460
OTHER COMPREHENSIVE INCOME		
Freehold property revaluation	687,737	25,000
Restatement for indexation	-	22,800
Income tax relating to components of other comprehensive income	<u>(117,747)</u>	<u>(3,800)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>569,990</u>	<u>44,000</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>1,869,495</u></u>	<u><u>813,460</u></u>

BALANCE SHEET
31 MARCH 2022

	Notes	31.3.22 £	£	31.3.21 £	£
FIXED ASSETS					
Tangible assets	8		1,542,620		795,552
CURRENT ASSETS					
Stocks	9	4,516,202		3,489,722	
Debtors	10	2,072,117		1,984,250	
Cash at bank		<u>3,559,472</u>		<u>2,672,651</u>	
		10,147,791		8,146,623	
CREDITORS					
Amounts falling due within one year	11	<u>2,522,388</u>		<u>1,672,116</u>	
NET CURRENT ASSETS			<u>7,625,403</u>		<u>6,474,507</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			9,168,023		7,270,059
PROVISIONS FOR LIABILITIES	12	<u>146,514</u>		<u>12,445</u>	
NET ASSETS		<u>9,021,509</u>		<u>7,257,614</u>	
CAPITAL AND RESERVES					
Called up share capital	13		480,000		480,000
Share premium	14		59,015		59,015
Revaluation reserve	14		689,990		120,000
Retained earnings	14		<u>7,792,504</u>		<u>6,598,599</u>
SHAREHOLDERS' FUNDS			<u>9,021,509</u>		<u>7,257,614</u>

The notes form part of these financial statements

BALANCE SHEET - continued
31 MARCH 2022

The financial statements were approved by the Board of Directors and authorised for issue on 13 February 2023 and were signed on its behalf by:

I J Osborne - Director

Mrs C A Osborne - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 April 2020	480,000	5,918,139	59,015	76,000	6,533,154
Changes in equity					
Dividends	-	(89,000)	-	-	(89,000)
Total comprehensive income	-	769,460	-	44,000	813,460
Balance at 31 March 2021	480,000	6,598,599	59,015	120,000	7,257,614
Changes in equity					
Dividends	-	(105,600)	-	-	(105,600)
Total comprehensive income	-	1,299,505	-	569,990	1,869,495
Balance at 31 March 2022	480,000	7,792,504	59,015	689,990	9,021,509

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	31.3.22 £	31.3.21 £
Cash flows from operating activities			
Cash generated from operations	1	1,295,742	999,067
Tax paid		<u>(192,280)</u>	<u>(93,535)</u>
Net cash from operating activities		<u>1,103,462</u>	<u>905,532</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(135,345)	-
Interest received		<u>113</u>	<u>486</u>
Net cash from investing activities		<u>(135,232)</u>	<u>486</u>
Cash flows from financing activities			
Amount introduced by directors		145,343	212,680
Amount withdrawn by directors		(121,152)	(1,634,001)
Equity dividends paid		<u>(105,600)</u>	<u>(89,000)</u>
Net cash from financing activities		<u>(81,409)</u>	<u>(1,510,321)</u>
Increase/(decrease) in cash and cash equivalents		<u>886,821</u>	<u>(604,303)</u>
Cash and cash equivalents at beginning of year	2	2,672,651	3,276,954
Cash and cash equivalents at end of year	2	<u>3,559,472</u>	<u>2,672,651</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

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

	31.3.22	31.3.21
	£	£
Profit before taxation	1,599,681	953,332
Depreciation charges	75,959	105,193
Loss on disposal of fixed assets	58	-
Finance income	(113)	(486)
	<u>1,675,585</u>	<u>1,058,039</u>
(Increase)/decrease in stocks	(1,026,480)	81,031
Increase in trade and other debtors	(87,871)	(89,207)
Increase/(decrease) in trade and other creditors	<u>734,508</u>	<u>(50,796)</u>
Cash generated from operations	<u><u>1,295,742</u></u>	<u><u>999,067</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	<u>3,559,472</u>	<u>2,672,651</u>

Year ended 31 March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	<u>2,672,651</u>	<u>3,276,954</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21	Cash flow	At 31.3.22
	£	£	£
Net cash			
Cash at bank	<u>2,672,651</u>	<u>886,821</u>	<u>3,559,472</u>
	<u>2,672,651</u>	<u>886,821</u>	<u>3,559,472</u>
Total	<u><u>2,672,651</u></u>	<u><u>886,821</u></u>	<u><u>3,559,472</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. STATUTORY INFORMATION

Transmission Developments Co (Gb) Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover/revenue recognition

The company recognises as turnover the net invoiced sales of goods to customers, excluding value added tax. Turnover is recognised on despatch in the year in the normal course of business.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Office equipment	- 15% on reducing balance
Improvements to property	- 4% on cost
Plant and machinery	- 33% on cost and 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

Stocks

Stock and work in progress is stated at the lower of cost and net realisable value. 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. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme for directors. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

The company also makes contributions into a stakeholder pension scheme for its staff members. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

Operating leases

Costs in respect of operating leases are charged against profits on a straight line basis over the period of the lease.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31.3.22	31.3.21
	£	£
United Kingdom	9,876,529	7,870,675
Rest of the World	829,323	947,524
	<u>10,705,852</u>	<u>8,818,199</u>

4. EMPLOYEES AND DIRECTORS

	31.3.22	31.3.21
	£	£
Wages and salaries	2,742,420	2,388,105
Social security costs	22,533	23,269
Other pension costs	218,983	186,902
	<u>2,983,936</u>	<u>2,598,276</u>

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

	31.3.22	31.3.21
Sales and marketing	16	16
Technical and administration	11	11
Manufacturing and production	46	41
Warehouse and distribution	11	10
	<u>84</u>	<u>78</u>
	31.3.22	31.3.21
	£	£
Directors' remuneration	<u>240,300</u>	<u>183,598</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

4. EMPLOYEES AND DIRECTORS - continued

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

Money purchase schemes	<u>1</u>	<u>1</u>
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Information regarding the highest paid director for the year ended 31 March 2022 is as follows:

	31.3.22	
	£	
Emoluments etc	<u>105,911</u>	

The Directors comprise the key management personnel of the company.

5. OPERATING PROFIT

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

	31.3.22	31.3.21
	£	£
Depreciation - owned assets	75,956	105,195
Loss on disposal of fixed assets	58	-
Auditors' remuneration	5,950	5,450
Operating lease rentals -land and buildings	138,000	138,000
Operating lease rentals -other	67,266	73,229
Foreign exchange loss/(profit)	<u>(10,267)</u>	<u>9,146</u>

6. TAXATION

Analysis of the tax charge

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

	31.3.22	31.3.21
	£	£
Current tax:		
UK corporation tax	283,853	199,638
Deferred tax	<u>16,323</u>	<u>(15,766)</u>
Tax on profit	<u>300,176</u>	<u>183,872</u>

UK corporation tax has been charged at 19% (2021 - 19%).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.22 £	31.3.21 £
Profit before tax	<u>1,599,681</u>	<u>953,332</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	303,939	181,133
Effects of:		
Expenses not deductible for tax purposes	375	315
Capital allowances in excess of depreciation	(20,461)	-
Depreciation in excess of capital allowances	-	18,190
Deferred tax	<u>16,323</u>	<u>(15,766)</u>
Total tax charge	<u><u>300,176</u></u>	<u><u>183,872</u></u>

Tax effects relating to effects of other comprehensive income

	31.3.22 Gross £	Tax £	Net £
Freehold property revaluation	687,737	(117,747)	569,990
Restatement for indexation	<u>687,737</u>	<u>(117,747)</u>	<u>569,990</u>
	31.3.21 Gross £	Tax £	Net £
Freehold property revaluation	25,000	(3,800)	21,200
Restatement for indexation	<u>22,800</u>	<u>-</u>	<u>22,800</u>
	<u><u>47,800</u></u>	<u><u>(3,800)</u></u>	<u><u>44,000</u></u>

7. DIVIDENDS

	31.3.22 £	31.3.21 £
Ordinary shares of £1 each		
Final	<u><u>105,600</u></u>	<u><u>89,000</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

8. TANGIBLE FIXED ASSETS

	Freehold property £	Office equipment £	Improvements to property £	Plant and machinery £
COST OR VALUATION				
At 1 April 2021	782,263	181,889	140,915	2,466,538
Additions	-	-	-	135,345
Disposals	-	-	-	-
Revaluations	687,737	-	-	-
At 31 March 2022	<u>1,470,000</u>	<u>181,889</u>	<u>140,915</u>	<u>2,601,883</u>
DEPRECIATION				
At 1 April 2021	97,977	180,465	138,228	2,370,665
Charge for year	17,639	340	1,186	54,076
Eliminated on disposal	-	-	-	-
At 31 March 2022	<u>115,616</u>	<u>180,805</u>	<u>139,414</u>	<u>2,424,741</u>
NET BOOK VALUE				
At 31 March 2022	<u>1,354,384</u>	<u>1,084</u>	<u>1,501</u>	<u>177,142</u>
At 31 March 2021	<u>684,286</u>	<u>1,424</u>	<u>2,687</u>	<u>95,873</u>
	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 April 2021	150,625	22,895	254,136	3,999,261
Additions	-	-	-	135,345
Disposals	-	(3,750)	-	(3,750)
Revaluations	-	-	-	687,737
At 31 March 2022	<u>150,625</u>	<u>19,145</u>	<u>254,136</u>	<u>4,818,593</u>
DEPRECIATION				
At 1 April 2021	142,632	19,606	254,136	3,203,709
Charge for year	1,907	808	-	75,956
Eliminated on disposal	-	(3,692)	-	(3,692)
At 31 March 2022	<u>144,539</u>	<u>16,722</u>	<u>254,136</u>	<u>3,275,973</u>
NET BOOK VALUE				
At 31 March 2022	<u>6,086</u>	<u>2,423</u>	<u>-</u>	<u>1,542,620</u>
At 31 March 2021	<u>7,993</u>	<u>3,289</u>	<u>-</u>	<u>795,552</u>

Included in cost or valuation of land and buildings is freehold land of £ 588,000 (2021 - £ 302,905) which is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

8. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 March 2022 is represented by:

	Freehold property £	Office equipment £	Improvements to property £	Plant and machinery £
Valuation in 2005	95,000	-	-	-
Valuation in 2021	25,000	-	-	-
Valuation in 2022	687,737	-	-	-
Cost	<u>662,263</u>	<u>181,889</u>	<u>140,915</u>	<u>2,601,883</u>
	<u>1,470,000</u>	<u>181,889</u>	<u>140,915</u>	<u>2,601,883</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2005	-	-	-	95,000
Valuation in 2021	-	-	-	25,000
Valuation in 2022	-	-	-	687,737
Cost	<u>150,625</u>	<u>19,145</u>	<u>254,136</u>	<u>4,010,856</u>
	<u>150,625</u>	<u>19,145</u>	<u>254,136</u>	<u>4,818,593</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	31.3.22 £	31.3.21 £
Cost	<u>662,263</u>	<u>662,263</u>
Aggregate depreciation	<u>89,663</u>	<u>81,717</u>
Value of land in freehold land and buildings	<u>264,905</u>	<u>264,905</u>

Freehold land and buildings were valued on an open market basis on 31 March 2022 by an independent valuer .

The company's freehold properties were valued as at 31 March 2022 by an independent external valuer, Agnes Sawyer BSc MRICS of Nettleship Sawyer Chartered Surveyors. The valuations were compiled on a Fair Value basis, in accordance with the requirements of the RICS Valuation - Global Standards 2017.

9. STOCKS

	31.3.22 £	31.3.21 £
Raw materials	1,008,548	823,382
Work-in-progress	209,980	146,237
Finished goods	<u>3,297,674</u>	<u>2,520,103</u>
	<u>4,516,202</u>	<u>3,489,722</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Trade debtors	1,856,101	1,765,838
Other debtors	9,584	9,533
Prepayments	206,432	208,879
	<u>2,072,117</u>	<u>1,984,250</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Trade creditors	1,516,647	876,576
Tax	291,158	199,585
Social security and other taxes	62,437	47,268
VAT	346,509	319,643
Directors' current accounts	105,129	80,938
Accrued expenses	200,508	148,106
	<u>2,522,388</u>	<u>1,672,116</u>

12. PROVISIONS FOR LIABILITIES

	31.3.22	31.3.21
	£	£
Deferred tax	<u>146,514</u>	<u>12,445</u>
		Deferred tax
		£
Balance at 1 April 2021		12,445
Provided during year		16,323
Deferred tax on revaluations		117,746
Balance at 31 March 2022		<u>146,514</u>

The provision for deferred taxation is made up of accelerated capital allowances and provision on revaluation reserve. Deferred taxation liabilities are not expected to become due until the associated assets are sold. Deferred taxation liabilities can increase or decrease in accordance with the rate of corporation tax substantively enacted.

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31.3.22	31.3.21
Number:	Class:	Nominal value:	£	£
480,000	Ordinary	£1	<u>480,000</u>	<u>480,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

14. RESERVES

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 April 2021	6,598,599	59,015	120,000	6,777,614
Profit for the year	1,299,505			1,299,505
Dividends	(105,600)			(105,600)
Freehold property valuation	-	-	687,737	687,737
Deferred tax on revaluations	-	-	(117,747)	(117,747)
At 31 March 2022	<u>7,792,504</u>	<u>59,015</u>	<u>689,990</u>	<u>8,541,509</u>

15. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The company has received loans from the directors, Mr I J Osborne and Mrs C A Osborne. The loans are repayable on demand. The amounts due to the directors at the balance sheet date were £105,129 (2021: £80,847) and £292 (2021: £91) respectively. The maximum amounts outstanding during the year were £105,129 and £292 respectively.

During the current and prior year the company did not pay interest on the loans from the directors.

16. RELATED PARTY DISCLOSURES

During the year, total dividends of £105,600 (2021 - £89,000) were paid to the directors .

The company occupies premises owned by its pension scheme. Normal commercial rents of £98,000 (2021: £98,000) were payable during the year and at the balance sheet date no amount was outstanding (2021: nil).

The company also occupies premises owned by I J & Mrs C A Osborne, the controlling parties by means of their 100% ownership of the issued share capital of the company. A normal commercial rent of £40,000 (2021: £40,000) was payable in the year and at the balance sheet date no amount was outstanding (2021: nil).

Additional related party information is given in the note "Directors' advances, credit and guarantees."

17. ULTIMATE CONTROLLING PARTY

The company was under the control of Mr I J Osborne and Mrs C A Osborne throughout the current and previous year.

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.