

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021  
FOR  
APELSON APPLIANCES UK LTD**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**DIRECTORS:**

M E Johnson  
J J Morales Del Pino

**REGISTERED OFFICE:**

Unit 3 Normandy Landings  
Pope Street  
Castleford  
West Yorkshire  
WF6 2AG

**REGISTERED NUMBER:**

08265471 (England and Wales)

**AUDITORS:**

Sedulo Audit Limited  
Statutory Auditors  
Regency Court  
62-66 Deansgate  
Manchester  
M3 2EN

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present their strategic report of the company and the group for the year ended 31 December 2021.

**REVIEW OF BUSINESS**

The COVID-19 pandemic outbreak, which was confirmed in the UK in early 2020, continued to impact society in the UK with social restrictions being in place in various forms throughout the majority of the first half of the year and again towards the end. The pandemic and these restrictions led to high levels of disruption and uncertainty around the economy in the UK, and worldwide in general.

The business continued the practice of remote working as much as practical to limit staff exposure and any potential spread within the workplace.

The impact of restrictions on retail customers in our vertical was not as severe in 2021 lockdowns than it had been in 2020 and combined with more refined solutions, such as 'click and collect', and with a continued 'COVID bounce back' in demand, turnover grew in our B2B channels by 49%. This result was supplemented by new customer wins.

The competitive landscape in e-commerce has increased since the start of the pandemic. Whilst we continued to maintain an online presence, our main focus remains the servicing of B2B customer channels. Our online activity reduced by 8.5% during 2021 compared to 2020.

2021 also saw the continuation of increased shipping costs that began towards the end of 2020. Whilst we saw some disruption in obtaining shipping space, this was limited but largely led to large increases in the costs of transporting goods to secure the space which in turn led to price rises to customers in the year.

The business saw organic growth of 16.5% in revenue in 2021 and the group had growth of 17.3% overall taking revenue from £18.7m in 2020 to £22.0m in 2021.

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

Risk is an inevitable part of business. Management monitors key risks that the business faces and take action to mitigate those risks.

Economic risk

The long term impact of COVID remains unknown and the longer term impact on the UK economy is uncertain. Inflation is running at record levels which may impact on the spending capacity of UK consumers. Management feel that the market sector the business operates in and the products offered are of the nature that they are less susceptible to impact from a downturn in general consumer spending.

Strategic risk

We continue to invest in new opportunities and areas of growth in order to diversify our offering. Significant work is undertaken to develop and source products that are at the right price points and market position for our customers. Management closely monitor consumer trends and preferences in order to maintain stock of relevant products for our customers.

Manufacture and supply chain risk

The COVID pandemic has caused disruption along various points of the manufacturing and supply chain process. The business has a broad portfolio of products which helps reduce the risk around supply from a single manufacturer. However, management has also sought to mitigate risks around supply by reviewing the manufacturing base and sourcing from near shore suppliers for some products. In mitigation of delays in receipt of goods the business has maintained increased stock levels throughout 2021 and into 2022.

Financial risk

The principal financial risk is having the funds available at the right time to meet business needs. The risk is managed by forecasting cash flow to ensure that adequate funds are available to meet liabilities. Cash flow has been constantly monitored, the business has taken on new and increased banking facilities in order to facilitate both growth and increased stock holding.

Product purchases are largely denominated in foreign currency and the management team utilise the cash flow forecast to assess the timing and amount of foreign currency requirements. Forward contracts are utilised to cover a portion of the foreign currency exposure in order to provide greater certainty on the cash requirement to settle the liabilities. Payments are also made using spot rates. The business does not have a policy to buy forward or hold foreign currency speculatively. Currency forward contracts are hedge accounted for at fair value.

Business interruption

A significant disaster at our operational sites would have a significant impact on our business. To mitigate this risk, our systems are cloud based and remotely accessible by staff meaning neither a loss of data or lack of access by staff. Stock is also at multiple sites which would minimise disruption on supply.

**FINANCIAL KEY PERFORMANCE INDICATORS**

The main financial key performance indicators that are monitored by the management team are revenue, product gross margin and EBITDA. Revenue patterns in the year continue to vary from the normal seasonal pattern expected by the business as a result of the COVID-19 pandemic. Lockdowns posed no noticeable impact on revenue in any month, in fact January 2021 was a record revenue month for the B2B channel for the business (which was broken three further times in the year). Overall revenue ended up increasing by 17.3% in the year to £22.0m. Gross margin increased by 0.1 p.p. which was impacted by a variety of factors including customer mix, product mix and changes in delivery types. The increase in activity had limited impact on overheads, as a result, the increased gross profit drove an increase in EBITDA from £1.5m in 2020 to £2.2m in 2021.

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**OTHER KEY PERFORMANCE INDICATORS**

The operational key performance indicators that are monitored by management include the volume of service calls (which saw a reduction of up to 50% in the peak of the pandemic but returned to average in autumn), the number of dropped calls (which has remained at broadly a constant number throughout the year despite home working, reduced call handlers and other disruptions caused by the pandemic) and first time fix rates (which have been improving by ending outsourced call taking for French servicing and improved sharing of operational processes).

**ON BEHALF OF THE BOARD:**

M E Johnson - Director

16 December 2022

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of leasing of intellectual property and similar products. The principal activity of the company is that of the importation and distribution of kitchen appliances and the provision of after sales support services.

**DIVIDENDS**

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

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

J J Morales Del Pino has held office during the whole of the period from 1 January 2021 to the date of this report.

Other changes in directors holding office are as follows:

M E Johnson - appointed 26 November 2021

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group 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 the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**AUDITORS**

Sedulo Audit Limited were appointed as auditors during the year and will be proposed for re-appointment at the forthcoming Annual General Meeting

**ON BEHALF OF THE BOARD:**

M E Johnson - Director

16 December 2022



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF APELSON APPLIANCES UK LTD**

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### **Opinion**

We have audited the financial statements of Apelson Appliances UK Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated 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 group's and of the parent company affairs as at 31 December 2021 and of the group's 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 group 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 the 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 directors are responsible for the other information. The other information comprises the information in the Group 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 Group 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 Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 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 Statement of Directors' Responsibilities set out on page five, 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 group's and 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

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 capable of detecting irregularities, including fraud**

The primary responsibility for the prevention and detection of fraud rests with directors and management, and we cannot be expected to detect non-compliance with all laws and regulations.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our knowledge of the business and sector, enquiries of directors and management, and review of regulatory information and correspondence. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.

We discussed with directors and management the policies and procedures in place to ensure compliance with laws and regulations and otherwise prevent, deter and detect fraud.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations identified as potentially having a material effect on the financial statements. Our procedures included review of financial statement information and testing of that information, enquiry of management and examination of relevant documentation, analytical procedures to identify unusual or unexpected relationships that may indicate fraud, and procedures to address the risk of fraud through director or management override of controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**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.

David Stansfield (Senior Statutory Auditor)  
for and on behalf of Sedulo Audit Limited  
Statutory Auditors  
Regency Court  
62-66 Deansgate  
Manchester  
M3 2EN

16 December 2022

**CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	31.12.21 £	£	31.12.20 £	£
<b>TURNOVER</b>	3		22,005,469		18,752,101
Cost of sales			<u>16,037,344</u>		<u>13,690,680</u>
<b>GROSS PROFIT</b>			5,968,125		5,061,421
Distribution costs		1,094,800		1,175,418	
Administrative expenses		<u>2,792,205</u>		<u>2,607,759</u>	
			3,887,005		3,783,177
			2,081,120		1,278,244
Other operating income	4		-		169,459
<b>OPERATING PROFIT</b>	6		<u>2,081,120</u>		<u>1,447,703</u>
Interest receivable and similar income	8		<u>197,184</u>		<u>93,059</u>
			2,278,304		1,540,762
Interest payable and similar expenses	9		<u>123,383</u>		<u>31,814</u>
<b>PROFIT BEFORE TAXATION</b>			2,154,921		1,508,948
Tax on profit	10		<u>365,000</u>		<u>293,750</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			<u>1,789,921</u>		<u>1,215,198</u>
Profit attributable to:					
Owners of the parent			<u>1,789,921</u>		<u>1,215,198</u>

**CONSOLIDATED OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	31.12.21 £	31.12.20 £
<b>PROFIT FOR THE YEAR</b>		1,789,921	1,215,198
<b>OTHER COMPREHENSIVE INCOME</b>			
Retranslation of subsidiary reserves		(67,362)	-
Income tax relating to other comprehensive income		-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		(67,362)	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>1,722,559</u>	<u>1,215,198</u>
Total comprehensive income attributable to: Owners of the parent		<u>1,722,559</u>	<u>1,215,198</u>

**CONSOLIDATED BALANCE SHEET**  
**31 DECEMBER 2021**

	Notes	31.12.21 £	£	31.12.20 £	£
<b>FIXED ASSETS</b>					
Intangible assets	12		917,622		977,066
Tangible assets	13		483,955		367,312
Investments	14		-		-
			<u>1,401,577</u>		<u>1,344,378</u>
<b>CURRENT ASSETS</b>					
Stocks	15	10,323,523		4,138,268	
Debtors	16	8,663,777		6,251,370	
Cash at bank		<u>253,454</u>		<u>668,665</u>	
		19,240,754		11,058,303	
<b>CREDITORS</b>					
Amounts falling due within one year	17	<u>13,187,492</u>		<u>6,154,598</u>	
<b>NET CURRENT ASSETS</b>			<u>6,053,262</u>		<u>4,903,705</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			7,454,839		6,248,083
<b>CREDITORS</b>					
Amounts falling due after more than one year	18		(2,943,644)		(3,518,149)
<b>PROVISIONS FOR LIABILITIES</b>	21		<u>(645,933)</u>		<u>(587,231)</u>
<b>NET ASSETS</b>			<u>3,865,262</u>		<u>2,142,703</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	22		20,000		20,000
Retained earnings	23		<u>3,845,262</u>		<u>2,122,703</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>3,865,262</u>		<u>2,142,703</u>

The financial statements were approved by the Board of Directors and authorised for issue on 16 December 2022 and were signed on its behalf by:

M E Johnson - Director

**COMPANY BALANCE SHEET**  
**31 DECEMBER 2021**

	Notes	31.12.21 £	£	31.12.20 £	£
<b>FIXED ASSETS</b>					
Intangible assets	12		-		-
Tangible assets	13		483,955		367,312
Investments	14		<u>1,098,394</u>		<u>1,098,394</u>
			1,582,349		1,465,706
<b>CURRENT ASSETS</b>					
Stocks	15	10,323,523		4,138,268	
Debtors	16	7,963,931		6,250,905	
Cash at bank		<u>171,885</u>		<u>647,080</u>	
		18,459,339		11,036,253	
<b>CREDITORS</b>					
Amounts falling due within one year	17	<u>12,561,296</u>		<u>6,253,876</u>	
<b>NET CURRENT ASSETS</b>			<u>5,898,043</u>		<u>4,782,377</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			7,480,392		6,248,083
<b>CREDITORS</b>					
Amounts falling due after more than one year	18		(2,943,644)		(3,518,149)
<b>PROVISIONS FOR LIABILITIES</b>	21		<u>(645,933)</u>		<u>(587,231)</u>
<b>NET ASSETS</b>			<u><u>3,890,815</u></u>		<u><u>2,142,703</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	22		20,000		20,000
Retained earnings	23		<u>3,870,815</u>		<u>2,122,703</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><u>3,890,815</u></u>		<u><u>2,142,703</u></u>
Company's profit for the financial year			<u>1,748,112</u>		<u>1,215,198</u>

The financial statements were approved by the Board of Directors and authorised for issue on 16 December 2022 and were signed on its behalf by:

M E Johnson - Director

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

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2020</b>	20,000	907,505	927,505
<b>Changes in equity</b>			
Total comprehensive income	-	1,215,198	1,215,198
<b>Balance at 31 December 2020</b>	20,000	2,122,703	2,142,703
<b>Changes in equity</b>			
Total comprehensive income	-	1,722,559	1,722,559
<b>Balance at 31 December 2021</b>	20,000	3,845,262	3,865,262



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

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2020</b>	20,000	907,505	927,505
<b>Changes in equity</b>			
Total comprehensive income	-	1,215,198	1,215,198
<b>Balance at 31 December 2020</b>	20,000	2,122,703	2,142,703
<b>Changes in equity</b>			
Total comprehensive income	-	1,748,112	1,748,112
<b>Balance at 31 December 2021</b>	20,000	3,870,815	3,890,815

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	31.12.21 £	31.12.20 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	349,215	1,674,139
Tax paid		-	(142,120)
Net cash from operating activities		<u>349,215</u>	<u>1,532,019</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		-	(1,098,394)
Purchase of tangible fixed assets		(193,886)	(75,873)
Sale of tangible fixed assets		-	10,417
Cash acquired in subsidiary		-	21,585
Interest received		197,184	93,059
Net cash from investing activities		<u>3,298</u>	<u>(1,049,206)</u>
<b>Cash flows from financing activities</b>			
New loans in year		(141,155)	(254,231)
Loan repayments in year		(471,812)	-
Bank financing received/(settled)		931,999	(1,004,291)
Movement on group funding		(708,815)	(42,172)
Interest paid		(123,383)	(31,814)
Amounts advanced to associated and JV's		(401,604)	-
Net cash from financing activities		<u>(914,770)</u>	<u>(1,332,508)</u>
<b>Decrease in cash and cash equivalents</b>		<u>(562,257)</u>	<u>(849,695)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	668,665	1,518,360
<b>Cash and cash equivalents at end of year</b>	2	<u>106,408</u>	<u>668,665</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**1. RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS**

	31.12.21	31.12.20
	£	£
Profit for the financial year	1,789,921	1,215,198
Depreciation charges	77,243	72,349
Loss on disposal of fixed assets	-	1,322
Increase/(Decrease) in provisions	58,702	(6,459)
Reserves foreign exchange movement	(7,918)	-
Finance costs	123,383	31,814
Finance income	(197,184)	(93,059)
Taxation	365,000	293,750
	<u>2,209,147</u>	<u>1,514,915</u>
(Increase)/decrease in stocks	(6,185,255)	232,502
Increase in trade and other debtors	(669,299)	(616,045)
Increase in trade and other creditors	<u>4,994,622</u>	<u>542,767</u>
<b>Cash generated from operations</b>	<u><u>349,215</u></u>	<u><u>1,674,139</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 December 2021**

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	253,454	668,665
Bank overdrafts	(147,046)	-
	<u><u>106,408</u></u>	<u><u>668,665</u></u>

**Year ended 31 December 2020**

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	<u><u>668,665</u></u>	<u><u>1,518,360</u></u>

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.1.21 £	Cash flow £	At 31.12.21 £
<b>Net cash</b>			
Cash at bank	668,665	(415,211)	253,454
Bank overdrafts	-	(147,046)	(147,046)
	<u>668,665</u>	<u>(562,257)</u>	<u>106,408</u>
<b>Debt</b>			
Debts falling due within 1 year	(369,119)	(1,034,692)	(1,403,811)
Debts falling due after 1 year	(3,518,149)	574,505	(2,943,644)
	<u>(3,887,268)</u>	<u>(460,187)</u>	<u>(4,347,455)</u>
<b>Total</b>	<u>(3,218,603)</u>	<u>(1,022,444)</u>	<u>(4,241,047)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. STATUTORY INFORMATION**

Apelson Appliances UK 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 General Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

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

**Basis of consolidation**

The consolidated financial statements present the results of the parent company and its own subsidiaries ("the group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statement incorporate the results of business combination using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

**Significant judgements and estimates**

**Stock provision** - The group and company estimates the impairment to the carrying value of stock by assessing the amount and value of obsolete and slow-moving stock, using their judgement of the stock turn and future sales value generated by those stock items.

**Warranty provision** - The warranty provision is measured at the best estimate of the expenditure required to settle future obligations on returned goods at the reporting date. The buyer has the right to claim for parts and labour for repairs within two years of buying product and the right to claim for parts for an additional three years. Management estimates the repair costs based on actual costs incurred on similar sales.

**Deferred income** - Revenue from maintenance of goods is recognised on a monthly basis over a two year period. This was historically done on a straight line basis over a products contract period; however due to increased data capture, this is now based on the estimation of when products will fail (and subsequently incur maintenance costs) during its contract period. The estimate for the average time of failure is based on historical data analysis of failure month in relation to the month the product was purchased by the consumer.

**Turnover**

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

Revenue from the sale of goods is recognised when the company has transferred the significant risks and rewards of ownership to the buyer and it is probable that the company will receive the previously agreed upon payment.

Revenue from the maintenance of goods is recognised on a monthly basis in line with the costs incurred of providing the service.

These criteria are generally considered to be met on despatch of goods for e-commerce customers and trade sales made from UK warehoused stock and on delivery for trade sales on direct import shipments.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES - continued**

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2020, is being amortised evenly over its estimated useful life of ten years.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of five years.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**Tangible fixed assets**

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

Leasehold improvements - 10 years

Plant and machinery - 10 - 50% straight line basis

Motor vehicles - 4 years

Tangible assets are initially recognised at historic cost, which includes expenditure incurred in bringing the asset to its present location and condition.

They are assessed at each reporting date for evidence of impairment. Impairment losses are recognised for the amount by which the carrying amount exceeds recoverable amount. Assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that previously recognised impairment losses may no longer exist or be reduced, and any reversal recognised in the accounts.

Residual values, useful lives and depreciation methods are reviewed annually and adjusted if considered appropriate or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and recognised in the statement of comprehensive income. Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost included expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**Government grants**

Grants are classified as either as relating to revenue or relating to assets.

Grants relating to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES - continued**

**Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**Financial instruments**

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

The company only enters into transactions in 'basic' financial instruments which result in the recognition of assets and liabilities; these include trade and other debtors and creditors, bank balances, loans from banks and other third parties, and loans to related parties.

Basic financial assets (other than those classified as payable within one year) are initially measured at cost, and are subsequently carried at cost or amortised cost using the effective interest method, less any impairment losses. Basic financial assets classified as receivable within one year are not amortised.

Basic financial liabilities (other than those classified as payable within one year) are initially recognised at present value of future cash flows and subsequently at amortised costs using the effective interest method. Basic financial liabilities classified as payable within one year are not amortised.

Financial assets and liabilities are offset, with the net amounts reported 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.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES - continued**

**Foreign currencies**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measure at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income

**Hire purchase and leasing commitments**

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

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

**Provisions for liabilities**

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

**3. TURNOVER**

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

An analysis of turnover by geographical market is given below:

	31.12.21 £	31.12.20 £
United Kingdom	21,855,338	18,752,101
Europe	150,131	-
	<u>22,005,469</u>	<u>18,752,101</u>

**4. OTHER OPERATING INCOME**

	31.12.21 £	31.12.20 £
Government grants	<u>-</u>	<u>169,459</u>

**5. EMPLOYEES AND DIRECTORS**

	31.12.21 £	31.12.20 £
Wages and salaries	1,307,024	1,482,118
Social security costs	136,464	126,464
Other pension costs	136,386	116,505
	<u>1,579,874</u>	<u>1,725,087</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**5. EMPLOYEES AND DIRECTORS - continued**

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

	31.12.21	31.12.20
Employees	<u>39</u>	<u>42</u>

The average number of employees by undertakings that were proportionately consolidated during the year was NIL (2020 - NIL).

	31.12.21 £	31.12.20 £
Directors' remuneration	<u>-</u>	<u>-</u>

**6. OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.21 £	31.12.20 £
Hire of plant and machinery	52,180	44,661
Other operating leases	84,000	63,000
Depreciation - owned assets	77,243	72,348
Loss on disposal of fixed assets	-	1,322
Foreign exchange differences	<u>184,358</u>	<u>18,824</u>

**7. AUDITORS' REMUNERATION**

	31.12.21 £	31.12.20 £
Fees payable to the company's auditors for the audit of the company's financial statements	<u>25,362</u>	<u>26,439</u>

**8. INTEREST RECEIVABLE AND SIMILAR INCOME**

	31.12.21 £	31.12.20 £
Interest receivable	<u>197,184</u>	<u>93,059</u>

**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.21 £	31.12.20 £
Interest payable	<u>123,383</u>	<u>31,814</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**10. TAXATION**

**Analysis of the tax charge**

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

	31.12.21 £	31.12.20 £
Current tax:		
UK corporation tax	365,000	293,750
Tax on profit	<u>365,000</u>	<u>293,750</u>

**Reconciliation of total tax charge included in profit and loss**

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

	31.12.21 £	31.12.20 £
Profit before tax	<u>2,154,921</u>	<u>1,508,948</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2020 - 19 %)	409,435	286,700
Effects of:		
Expenses not deductible for tax purposes	230	298
Capital allowances in excess of depreciation	(30,732)	-
Depreciation in excess of capital allowances	-	1,094
Adjustments to tax charge in respect of previous periods	-	3,606
Adjustments to tax charge in respect of previous periods - deferred tax	-	(89)
Remeasurement of deferred tax for changes in tax rates	-	5,406
Other differences	(13,933)	(3,265)
Total tax charge	<u>365,000</u>	<u>293,750</u>

**Tax effects relating to effects of other comprehensive income**

	Gross £	31.12.21 Tax £	Net £
Retranslation of subsidiary reserves	<u>(67,362)</u>	<u>-</u>	<u>(67,362)</u>

**11. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

12. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Patents and licences £	Totals £
<b>COST</b>			
At 1 January 2021	235,980	741,086	977,066
Exchange differences	-	(59,444)	(59,444)
Reclassification/transfer	(235,980)	235,980	-
At 31 December 2021	-	917,622	917,622
<b>NET BOOK VALUE</b>			
At 31 December 2021	-	917,622	917,622
At 31 December 2020	235,980	741,086	977,066

13. TANGIBLE FIXED ASSETS

Group

	Improvements to property £	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 January 2021	152,978	568,981	38,545	760,504
Additions	7,461	142,590	43,835	193,886
At 31 December 2021	160,439	711,571	82,380	954,390
<b>DEPRECIATION</b>				
At 1 January 2021	91,996	277,645	23,551	393,192
Charge for year	15,683	52,532	9,028	77,243
At 31 December 2021	107,679	330,177	32,579	470,435
<b>NET BOOK VALUE</b>				
At 31 December 2021	52,760	381,394	49,801	483,955
At 31 December 2020	60,982	291,336	14,994	367,312

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**13. TANGIBLE FIXED ASSETS - continued**

<b>Company</b>	Improvements to property £	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 January 2021	152,978	568,981	38,545	760,504
Additions	7,461	142,590	43,835	193,886
At 31 December 2021	<u>160,439</u>	<u>711,571</u>	<u>82,380</u>	<u>954,390</u>
<b>DEPRECIATION</b>				
At 1 January 2021	91,996	277,645	23,551	393,192
Charge for year	15,683	52,532	9,028	77,243
At 31 December 2021	<u>107,679</u>	<u>330,177</u>	<u>32,579</u>	<u>470,435</u>
<b>NET BOOK VALUE</b>				
At 31 December 2021	<u>52,760</u>	<u>381,394</u>	<u>49,801</u>	<u>483,955</u>
At 31 December 2020	<u>60,982</u>	<u>291,336</u>	<u>14,994</u>	<u>367,312</u>

**14. FIXED ASSET INVESTMENTS**

<b>Company</b>	Shares in group undertakings £
<b>COST</b>	
At 1 January 2021 and 31 December 2021	<u>1,098,394</u>
<b>NET BOOK VALUE</b>	
At 31 December 2021	<u>1,098,394</u>
At 31 December 2020	<u>1,098,394</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiary**

**Zerin 5000 S.L.**

Registered office: Barcelona 08036, Spain  
 Nature of business: Sale of trademark rights

	% holding
Class of shares:	
Ordinary	100.00

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**15. STOCKS**

	<b>Group</b>		<b>Company</b>	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Finished goods	7,354,040	2,450,090	7,354,040	2,450,090
Goods in Transit	2,969,483	1,688,178	2,969,483	1,688,178
	<u>10,323,523</u>	<u>4,138,268</u>	<u>10,323,523</u>	<u>4,138,268</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

The value of finished goods is net of a provision for obsolete slow moving stock of £397,145 (2020 - £222,387).

The value of stocks recognised as an expense during the financial year was £14,622,072 (2020 - £9,075,132).

**16. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	2,318,549	2,357,487	2,167,755	2,357,487
Amounts owed by group undertakings	-	949,469	-	949,469
Amounts owed by joint ventures	159,178	-	-	-
Amounts owed by associates	242,426	-	-	-
Other debtors	260,035	84,895	112,587	84,430
Prepayments and accrued income	<u>987,049</u>	<u>368,553</u>	<u>987,049</u>	<u>368,553</u>
	<u>3,967,237</u>	<u>3,760,404</u>	<u>3,267,391</u>	<u>3,759,939</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	2,149,818	-	2,149,818	-
Other debtors	264,069	349,468	264,069	349,468
Loan receivable	<u>2,282,653</u>	<u>2,141,498</u>	<u>2,282,653</u>	<u>2,141,498</u>
	<u>4,696,540</u>	<u>2,490,966</u>	<u>4,696,540</u>	<u>2,490,966</u>
Aggregate amounts	<u>8,663,777</u>	<u>6,251,370</u>	<u>7,963,931</u>	<u>6,250,905</u>

The impairment loss recognised in profit or loss for the year in respect of bad and doubtful trade debtors was £36,487 (2020 - £79,243).

Loan receivable bears interest at 7% per annum and relates to a loan issued during the prior year to a third party as part of a refinancing agreement (see note 18).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Bank loans and overdrafts (see note 19)	1,079,045	-	931,999	-
Other loans (see note 19)	471,812	369,119	471,812	369,119
Trade creditors	6,491,194	3,074,181	6,490,925	3,074,181
Amounts owed to group undertakings	491,534	-	-	-
Tax	655,144	290,144	655,144	290,144
Social security and other taxes	1,026,109	76,183	1,038,762	175,461
Other creditors	348,871	147,983	348,871	147,983
Accruals and deferred income	2,623,783	2,196,988	2,623,783	2,196,988
	<u>13,187,492</u>	<u>6,154,598</u>	<u>12,561,296</u>	<u>6,253,876</u>

Bank loans represents advances in respect of invoice financing and are secured on the book debts of the company.

**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Other loans (see note 19)	<u>2,943,644</u>	<u>3,518,149</u>	<u>2,943,644</u>	<u>3,518,149</u>

**19. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	147,046	-	-	-
Bank loans	931,999	-	931,999	-
Other loans	471,812	369,119	471,812	369,119
	<u>1,550,857</u>	<u>369,119</u>	<u>1,403,811</u>	<u>369,119</u>
Amounts falling due between one and two years:				
Other loans - 1-2 years	471,812	471,812	471,812	471,812
Amounts falling due between two and five years:				
Other loans - 2-5 years	2,471,832	3,046,337	2,471,832	3,046,337

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**19. LOANS - continued**

Other loans consist of two loans for £2,000,000 each, £2,000,000 was recognised as part of the acquisition of a loan receivable (see note 16) reduced by £84,544 (2020 - £112,732) for directly related costs. A further £2,000,000 was reclassified to other loans from trade creditors, related to this transaction. As such there have been no cash received in relation to the recognition of the £4,000,000 of "other loans" and similarly there has been no cash paid in relation to the recognition of the loan receivable, other than those relating to directly related costs.

Interest accrues on £2,000,000 at a rate of 5% per annum with capital repayments made monthly until 31 December 2024. Capital repayments in the year made of £500,000.

No interest is charged in relation to the £2,000,000 reclassified from trade creditors with repayment due only when the other £2,000,000 has been repaid in full, which is expected to be 31 December 2024.

Bank loans represents advances in respect of invoice financing and are secured on the book debts of the company.

**20. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Company**

	Non-cancellable	operating leases
	31.12.21	31.12.20
	£	£
Within one year	142,481	117,257
Between one and five years	<u>164,440</u>	<u>212,550</u>
	<u>306,921</u>	<u>329,807</u>

**21. PROVISIONS FOR LIABILITIES**

	<b>Group</b>		<b>Company</b>	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Deferred tax				
Accelerated capital allowances	46,815	46,815	46,815	46,815
Other timing differences	<u>(774)</u>	<u>(774)</u>	<u>(774)</u>	<u>(774)</u>
	<u>46,041</u>	<u>46,041</u>	<u>46,041</u>	<u>46,041</u>
Other provisions	<u>599,892</u>	<u>541,190</u>	<u>599,892</u>	<u>541,190</u>
Aggregate amounts	<u>645,933</u>	<u>587,231</u>	<u>645,933</u>	<u>587,231</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

21. PROVISIONS FOR LIABILITIES - continued

**Group**

	Deferred tax £	Warranty provisions £
Balance at 1 January 2021	46,041	541,190
Credit to Income Statement during year	-	(577,803)
Utilised during year	-	636,505
Balance at 31 December 2021	<u>46,041</u>	<u>599,892</u>

**Company**

	Deferred tax £	Warrantyprovisions £
Balance at 1 January 2021	46,041	541,190
Credit to Income Statement during year	-	(577,803)
Utilised during year	-	636,505
Balance at 31 December 2021	<u>46,041</u>	<u>599,892</u>

Warranty provisions relate to anticipated future after care costs which are expected to be settled within 2 years from the point of sale.

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal	31.12.21	31.12.20
Number:	Class:	value:	£	£
200	Ordinary shares	100	<u>20,000</u>	<u>20,000</u>

All shares carry the right to one vote each, to participate in dividends of the company and in a return of capital arising from a winding up event.

23. RESERVES

**Group**

	Retained earnings £
At 1 January 2021	2,122,703
Profit for the year	1,789,921
Retranslation of subsidiary reserves	(67,362)
At 31 December 2021	<u>3,845,262</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**23. RESERVES - continued**

**Company**

	Retained earnings £
At 1 January 2021	2,122,703
Profit for the year	1,748,112
At 31 December 2021	<u>3,870,815</u>

**24. RELATED PARTY DISCLOSURES**

During the year, a total of key management personnel compensation of £500,000 (2020 - £510,496) was paid.

**25. POST BALANCE SHEET EVENTS**

Subsequent to the year end the business entered into a new £7.5m asset backed finance agreement in order to increase working capital facilities, as part of which existing loan liabilities of c.£1.5m were settled early. The new facilities have a 3 year term and carry interest at varying rates, dependant upon the nature of the facility and security, ranging from 2.75% to 7.95% above Bank of England base rate.

**26. ULTIMATE CONTROLLING PARTY**

The company is a subsidiary of Kingford Corporation Limited which is the ultimate parent company. The sole shareholder of Kingford Corporation Limited is JJ Morales Del Pino, a director of Apelson Appliances UK Limited.

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.