

Company registration number 08764433 (England and Wales)

**MANOR COATING SYSTEMS (HOLDINGS) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2022**

**MANOR COATING SYSTEMS (HOLDINGS) LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	P Smith E Leijssen	(Appointed 1 March 2023)
<b>Secretary</b>	P D Smith	
<b>Company number</b>	08764433	
<b>Registered office</b>	Head Office Otley Road Charlestown Baildon West Yorkshire BD17 7DP	
<b>Auditor</b>	BHP LLP New Chartford House Centurion Way Cleckheaton Bradford West Yorkshire BD19 3QB	

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# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

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# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 NOVEMBER 2022**

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

### **Fair review of the business**

The business entered the 2022 financial year well placed to take advantage of market opportunities. We hoped that the impact of the Covid pandemic on global supply chains would finally ease in 2022. In particular we thought China, which is a global powerhouse in fundamental chemical building blocks, might get back to "business as normal". China did roll back many of its restrictions but not until much later in 2022 than we had envisaged.

The first quarter of 2022 was very positive then on 24 February 2022 Russian troops crossed into Ukraine triggering massive spikes in prices of grain, vegetable oil, crude oil and natural gas as well as huge economic uncertainty. Eastern Ukraine is an important chemical manufacturing location but we have never sourced materials from there.

Raw material price pressures in 2022 caused our gross margins to decline considerably. We were successful in passing on many of the increases to our customers but we were not able to do this fully and certainly not at the pace that our suppliers passed increases onto us.

As we exited from the pandemic into a changed world it became clear that we needed to focus the business on its core strength of industrial products where we can buy raw materials at sufficient scale to make our activities economically sensible. The sourcing of relatively small quantities of materials needed for some fringe products had already become difficult and time consuming a situation exacerbated by Brexit where due to customs requirements it is no longer economically sensible for European suppliers to send small quantities of goods across the UK/EU border. This applies equally to goods of EU and non-EU manufacture.

As a consequence of these factors, we withdrew from the solvent borne woodfinish market where margins were historically higher but volumes lower and declining. We also ceased production of some fringe industrial products. This allowed us to de-risk the business as the products withdrawn imposed disproportionate regulatory and risk management pressures.

We launched several new products during the year in our core market and welcomed back several significant returning customers.

We made the difficult, but necessary decision, to close our Teesside operation in early 2022.

The price of electricity and gas in the UK hit record levels which hit profitability from June 2022 when our contracts renewed.

Cash generation has been worse than would have been hoped principally due to the increased value of inventory and investment in fixed assets. The higher purchase price of raw materials explains the increase in the value of inventory and trade creditors.

### **Principal risks and uncertainties**

Inflationary price pressures remain intense with little indication of returning to previous levels.

The absence of a realistic industrial strategy for the UK in this post Brexit world remains a huge concern. We continue to see further decline in the UK and European chemical manufacturing as reported in the trade press.

Ongoing concerns remain regarding the sustainability of trade with Eire and Northern Ireland as EU and GB regulations diverge.

The war in Ukraine continues and the muscle flexing by China and the US add to global uncertainty.

Approved by the Board and signed on its behalf by:

P D Smith  
**Secretary**  
7 June 2023

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 30 NOVEMBER 2022**

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

### Principal activities

The principal activity of the company is that of a holding company.

The principal activity of the group is the manufacture and supply of paint and related liquid coatings and investment in commercial property.

### Directors

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

P Smith	
E Leijssen	(Appointed 1 March 2023)
D Smith	(Resigned 1 March 2023)
M Smith	(Resigned 1 March 2023)

### Results and dividends

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

Ordinary dividends were paid amounting to £210,000. The directors do not recommend payment of a further dividend.

### Financial instruments

All the group's sales are denominated in pounds sterling.

Purchases made in foreign currencies are a modest proportion of the overall costs of the business. Foreign exchange differences are taken to the profit and loss account as they arise.

Materials manufactured or refined outside the United Kingdom are mainly purchased through independent third party agents and distributors who carry the currency risk.

The group enforces credit terms through working with its customers.

### Auditor

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

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 NOVEMBER 2022**

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### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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

The directors are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Statement of disclosure to auditor

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

By order of the board

P D Smith  
**Secretary**  
7 June 2023

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MANOR COATING SYSTEMS (HOLDINGS) LIMITED

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#### Opinion

We have audited the financial statements of Manor Coating Systems (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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 the parent company's affairs as at 30 November 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# **MANOR COATING SYSTEMS (HOLDINGS) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF MANOR COATING SYSTEMS (HOLDINGS) LIMITED**

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

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focused on laws and regulations, relevant to the company, which could give rise to a material misstatement in the financial statements. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, review of client's operation of controls within the year, in particular manual journals, review of provisions, enquiries with management and review of legal expenses. There are inherent limitations in the audit procedures described and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

As part of our audit, we addressed the risk of management override of internal controls, including testing of journals and review of nominal ledger. We evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# **MANOR COATING SYSTEMS (HOLDINGS) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF MANOR COATING SYSTEMS (HOLDINGS) LIMITED**

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#### **Use of our report**

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

**Ann Brown (Senior Statutory Auditor)**  
**For and on behalf of BHP LLP**

7 June 2023

**Chartered Accountants**  
**Statutory Auditor**

New Chartford House  
Centurion Way  
Cleckheaton  
Bradford  
West Yorkshire  
BD19 3QB

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 NOVEMBER 2022

		2022	2021
	Notes	£	£
<b>Turnover</b>	<b>3</b>	11,264,362	11,196,734
Change in stocks of finished goods and in work in progress		123,203	96,684
Other operating income		-	3,709
Raw materials and consumables		(6,878,794)	(6,180,378)
Staff costs	<b>6</b>	(2,268,842)	(2,554,870)
Depreciation	<b>4</b>	(178,479)	(173,864)
Other operating expenses		(1,575,379)	(1,392,543)
<b>Operating profit</b>	<b>4</b>	486,071	995,472
Interest receivable and similar income	<b>8</b>	11,256	1,190
Gain/(loss) in current asset investments	<b>9</b>	(41,466)	64,753
<b>Profit before taxation</b>		455,861	1,061,415
Tax on profit	<b>10</b>	(51,638)	(240,255)
<b>Profit for the financial year</b>		404,223	821,160
<b>Other comprehensive income</b>			
Tax relating to other comprehensive income		-	(36,544)
<b>Total comprehensive income for the year</b>		404,223	784,616

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## GROUP BALANCE SHEET

AS AT 30 NOVEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	13		2,596,550		2,573,815
<b>Current assets</b>					
Stocks	17	1,880,900		1,651,733	
Debtors	18	2,211,222		2,115,434	
Investments	19	502,335		542,839	
Cash at bank and in hand		2,019,932		2,299,950	
		<u>6,614,389</u>		<u>6,609,956</u>	
<b>Creditors: amounts falling due within one year</b>	20	<u>(2,091,502)</u>		<u>(2,275,544)</u>	
<b>Net current assets</b>			<u>4,522,887</u>		<u>4,334,412</u>
<b>Total assets less current liabilities</b>			<u>7,119,437</u>		<u>6,908,227</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	21	<u>347,454</u>		<u>330,467</u>	
			<u>(347,454)</u>		<u>(330,467)</u>
<b>Net assets</b>			<u><u>6,771,983</u></u>		<u><u>6,577,760</u></u>
<b>Capital and reserves</b>					
Called up share capital	23		52,500		52,500
Revaluation reserve			1,061,672		1,061,672
Capital redemption reserve			47,500		47,500
Profit and loss reserves			<u>5,610,311</u>		<u>5,416,088</u>
<b>Total equity</b>			<u><u>6,771,983</u></u>		<u><u>6,577,760</u></u>

The financial statements were approved by the board of directors and authorised for issue on 7 June 2023 and are signed on its behalf by:

P Smith  
Director

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## COMPANY BALANCE SHEET

AS AT 30 NOVEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Investments	14		52,504		52,504
<b>Current assets</b>					
Debtors	18	2,703,289		2,096,207	
Investments	19	502,335		542,839	
Cash at bank and in hand		974,303		1,302,507	
		4,179,927		3,941,553	
<b>Creditors: amounts falling due within one year</b>	20	(16,324)		(10,036)	
<b>Net current assets</b>			4,163,603		3,931,517
<b>Total assets less current liabilities</b>			4,216,107		3,984,021
<b>Capital and reserves</b>					
Called up share capital	23		52,500		52,500
Profit and loss reserves			4,163,607		3,931,521
<b>Total equity</b>			4,216,107		3,984,021

The financial statements were approved by the board of directors and authorised for issue on 7 June 2023 and are signed on its behalf by:

P Smith  
Director

Company Registration No. 08764433

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2022

	Notes	Share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 December 2020</b>		52,500	1,098,216	47,500	4,962,428	6,160,644
<b>Year ended 30 November 2021:</b>						
Profit for the year		-	-	-	821,160	821,160
Other comprehensive income:						
Tax relating to other comprehensive income		-	(36,544)	-	-	(36,544)
Total comprehensive income for the year		-	(36,544)	-	821,160	784,616
Dividends	11	-	-	-	(367,500)	(367,500)
<b>Balance at 30 November 2021</b>		52,500	1,061,672	47,500	5,416,088	6,577,760
<b>Year ended 30 November 2022:</b>						
Profit and total comprehensive income for the year		-	-	-	404,223	404,223
Dividends	11	-	-	-	(210,000)	(210,000)
<b>Balance at 30 November 2022</b>		52,500	1,061,672	47,500	5,610,311	6,771,983

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2022

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 December 2020</b>		52,500	3,673,345	3,725,845
<b>Year ended 30 November 2021:</b>				
Profit and total comprehensive income for the year		-	625,676	625,676
Dividends	11	-	(367,500)	(367,500)
<b>Balance at 30 November 2021</b>		52,500	3,931,521	3,984,021
<b>Year ended 30 November 2022:</b>				
Profit and total comprehensive income for the year		-	442,086	442,086
Dividends	11	-	(210,000)	(210,000)
<b>Balance at 30 November 2022</b>		52,500	4,163,607	4,216,107

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	28	310,513		745,290	
Income taxes paid		(189,350)		(69,496)	
<b>Net cash inflow from operating activities</b>		121,163		675,794	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(214,475)		(89,356)	
Proceeds on disposal of tangible fixed assets		13,000		18,901	
Interest received		9,380		123	
Dividends received		914		44	
<b>Net cash used in investing activities</b>		(191,181)		(70,288)	
<b>Financing activities</b>					
Repayment of bank loans		-		(800,000)	
Dividends paid to equity shareholders		(210,000)		(367,500)	
<b>Net cash used in financing activities</b>		(210,000)		(1,167,500)	
<b>Net decrease in cash and cash equivalents</b>		(280,018)		(561,994)	
Cash and cash equivalents at beginning of year		2,299,950		2,861,944	
<b>Cash and cash equivalents at end of year</b>		2,019,932		2,299,950	

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2022

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### 1 Accounting policies

#### Company information

Manor Coating Systems (Holdings) Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Head Office, Otley Road, Charlestown, Baildon, West Yorkshire, BD17 7DP.

The group consists of Manor Coating Systems (Holdings) Limited and all of its subsidiaries.

#### 1.1 Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

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

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

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £442,086 (2021 - £625,676 profit).

#### 1.2 Basis of consolidation

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



# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

### 1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Manor Coating Systems (Holdings) Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

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

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

#### 1.3 Going concern

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

#### 1.4 Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers and rental income.

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

#### 1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.6 Tangible fixed assets

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

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Plant and machinery	Straight line over 10 & 15 years
Fixtures, fittings & equipment	Straight line over 4, 10 & 15 years
Motor vehicles	Straight line over 4 years

Freehold property is included in the balance sheet at its fair value.

Although this accounting policy is in accordance with the applicable accounting standard, FRS 102 "The Financial Reporting Standard," it is a departure from the general requirement of the Companies Act 2006 for all tangible fixed assets to be depreciated.

The accounting policy adopted is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

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

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.7 Fixed asset investments

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

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

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

#### 1.8 Impairment of fixed assets

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

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

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

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

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

#### 1.9 Stocks

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

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

#### 1.10 Cash and cash equivalents

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

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.11 Financial instruments

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

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

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

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

##### **Other financial assets**

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

##### **Impairment of financial assets**

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

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

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

##### **Derecognition of financial assets**

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

##### **Classification of financial liabilities**

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

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

### 1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

#### ***Derecognition of financial liabilities***

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

#### 1.12 Equity instruments

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

#### 1.13 Taxation

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

##### ***Current tax***

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

##### ***Deferred tax***

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

#### 1.14 Employee benefits

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

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

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

#### 1.15 Retirement benefits

The group operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### 1.17 Government grants

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

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

Grants received in relation to the government Coronavirus Job Retention Scheme (Furlough) have been recognised within other operating income. The grant is accounted for on the accruals basis once the related payroll return has been submitted.

Support received in relation to the interest paid by the UK government under the Coronavirus Business Interruption Loan Scheme is recognised within other operating income on the accruals basis to match the corresponding expense.

#### 1.18 Foreign exchange

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

#### 1.19 Freehold properties

Certain of the group's properties are utilised by other trading companies within the group.

### 2 Judgements and key sources of estimation uncertainty

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

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

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Stock provisions

It is necessary to consider the recoverability of the cost of stock and associated provisioning required. When calculating the stock provision, management considers the useage and saleability of stock items.

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

### 3 Turnover and other revenue

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

	2022 £	2021 £
<b>Turnover</b>		
Sales	11,264,362	11,196,734
	<u>          </u>	<u>          </u>
<b>Other significant revenue</b>		
Interest income	9,380	123
Dividends received	1,876	1,067
Grants received	-	3,709
	<u>          </u>	<u>          </u>
<b>Turnover analysed by geographical market</b>		
	2022 £	2021 £
Sales - UK	11,091,513	10,958,852
Sales - Overseas	172,849	237,882
	<u>          </u>	<u>          </u>
	11,264,362	11,196,734
	<u>          </u>	<u>          </u>

### 4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(3,709)
Depreciation of owned tangible fixed assets	178,479	173,864
Loss on disposal of tangible fixed assets	261	1,654
Operating lease charges	140,507	112,443
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	1,404	1,404
Audit of the company's subsidiaries	18,220	18,455
	<u>          </u>	<u>          </u>
	19,624	19,859
	<u>          </u>	<u>          </u>
<b>For other services</b>		
Taxation compliance services	3,720	3,575
	<u>          </u>	<u>          </u>

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

### 6 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Administration and support	63	67	-	-

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	1,937,774	2,170,502	-	-
Social security costs	212,859	217,466	-	-
Pension costs	118,209	166,902	-	-
	2,268,842	2,554,870	-	-

### 7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	127,620	300,105
Company pension contributions to defined contribution schemes	21,989	33,134
	149,609	333,239

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 2).

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

	2022 £	2021 £
Remuneration for qualifying services	n/a	157,813
Company pension contributions to defined contribution schemes	n/a	11,145

As total directors' remuneration was less than £200,000 in the current year, no disclosure is provided for that year.

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

**8 Interest receivable and similar income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	9,380	123
<b>Other income from investments</b>		
Dividends received	1,876	1,067
Total income	<u>11,256</u>	<u>1,190</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>9,380</u>	<u>123</u>
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**9 Amounts written off investments**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Fair value gains/(losses) on financial instruments</b>		
(Loss)/gain on financial assets held at fair value through profit or loss	<u>(41,466)</u>	<u>64,753</u>



# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

### 10 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	50,242	204,941
Adjustments in respect of prior periods	(15,591)	7,114
Total current tax	34,651	212,055
<b>Deferred tax</b>		
Origination and reversal of timing differences	16,987	28,200
Total tax charge	51,638	240,255

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

	2022 £	2021 £
Profit before taxation	455,861	1,061,415
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	86,614	201,669
Tax effect of expenses that are not deductible in determining taxable profit	8,236	(11,439)
Other permanent differences	(27,621)	42,911
Under/(over) provided in prior years	(15,591)	7,114
Tax expense for the year	51,638	240,255

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022 £	2021 £
Deferred tax arising on:		
Revaluation of property	-	36,544

### 11 Dividends

	2022 £	2021 £
Dividends paid	210,000	367,500

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

### 12 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 1 December 2021 and 30 November 2022	140,308
<b>Amortisation and impairment</b>	
At 1 December 2021 and 30 November 2022	140,308
<b>Carrying amount</b>	
At 30 November 2022	-
At 30 November 2021	-

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

### 13 Tangible fixed assets

Group	Freehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 December 2021	1,453,274	2,329,201	794,729	285,394	4,862,598
Additions	-	171,476	18,942	24,057	214,475
Disposals	-	(2,200)	(4,292)	(21,523)	(28,015)
At 30 November 2022	1,453,274	2,498,477	809,379	287,928	5,049,058
<b>Depreciation and impairment</b>					
At 1 December 2021	-	1,402,792	718,243	167,748	2,288,783
Depreciation charged in the year	-	96,136	21,492	60,851	178,479
Eliminated in respect of disposals	-	(1,045)	(4,292)	(9,417)	(14,754)
At 30 November 2022	-	1,497,883	735,443	219,182	2,452,508
<b>Carrying amount</b>					
At 30 November 2022	1,453,274	1,000,594	73,936	68,746	2,596,550
At 30 November 2021	1,453,274	926,409	76,486	117,646	2,573,815

The company had no tangible fixed assets at 30 November 2022 or 30 November 2021.

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

### 14 Fixed asset investments

		Group 2022	2021	Company 2022	2021
	Notes	£	£	£	£
Investments in subsidiaries	15	-	-	52,504	52,504

### Movements in fixed asset investments Company

### Shares in group undertakings

£

### Cost or valuation

At 1 December 2021 and 30 November 2022

52,504

### Carrying amount

At 30 November 2022

52,504

At 30 November 2021

52,504

### 15 Subsidiaries

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

Name of undertaking	Class of shareholding	% Held	
		Direct	Indirect
John Hargreaves & Son (Bradford) Limited	Ordinary shares		100.00
Manor Coating Systems (Properties) Limited	Ordinary shares	100.00	
Manor Coating Systems Limited	Ordinary shares	100.00	
Manor Paint Ltd	Ordinary shares	100.00	
Manor Paint Shop Ltd	Ordinary shares	100.00	
Paintfire Limited	Ordinary shares		100.00
Shipley Paint Limited	Ordinary shares		100.00
The Paint Place Limited	Ordinary shares	100.00	

### Name of undertaking

### Nature of business

John Hargreaves & Son (Bradford) Limited	Dormant
Manor Coating Systems (Properties) Limited	Investment in commercial property
Manor Coating Systems Limited	Manufacture and supply of paint and related liquid coatings
Manor Paint Ltd	Dormant
Manor Paint Shop Ltd	Dormant
Paintfire Limited	Dormant
Shipley Paint Limited	Dormant
The Paint Place Limited	Dormant

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

### 15 Subsidiaries

(Continued)

The investments in subsidiaries are all stated at cost.

All of the subsidiaries are consolidated.

The registered office for the company's subsidiaries is Head Office, Otley Road, Charlestown, Baildon, West Yorkshire, BD17 7DP.

### 16 Financial instruments

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Carrying amount of financial assets</b>				
Instruments measured at fair value through profit or loss	502,335	542,839	502,335	542,839

### 17 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Raw materials and consumables	1,162,404	1,056,440	-	-
Finished goods and goods for resale	718,496	595,293	-	-
	1,880,900	1,651,733	-	-

### 18 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Amounts falling due within one year:</b>				
Trade debtors	2,126,469	2,036,578	-	-
Other debtors	15,433	7,061	-	-
Prepayments and accrued income	69,320	71,795	-	-
	2,211,222	2,115,434	-	-
<b>Amounts falling due after more than one year:</b>				
Amounts owed by group undertakings	-	-	2,703,289	2,096,207
<b>Total debtors</b>	<b>2,211,222</b>	<b>2,115,434</b>	<b>2,703,289</b>	<b>2,096,207</b>

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

### 19 Current asset investments

	Group 2022 £	2021 £	Company 2022 £	2021 £
Equity investments	502,335	542,839	502,335	542,839

### 20 Creditors: amounts falling due within one year

	Group 2022 £	2021 £	Company 2022 £	2021 £
Trade creditors	1,424,086	1,362,885	-	-
Corporation tax payable	50,242	204,941	14,467	8,179
Other taxation and social security	215,793	257,605	-	-
Other creditors	63,147	36,074	3	3
Accruals and deferred income	338,234	414,039	1,854	1,854
	2,091,502	2,275,544	16,324	10,036

### 21 Deferred taxation

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

Group	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	177,743	236,200
Revaluations	152,267	152,267
Short term timing differences	17,444	(58,000)
	347,454	330,467

The company has no deferred tax assets or liabilities.

	Group 2022 £	Company 2022 £
<b>Movements in the year:</b>		
Liability at 1 December 2021	330,467	-
Charge to profit or loss	16,987	-
Liability at 30 November 2022	347,454	-

Of the deferred tax liability set out above, £39,000 is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature in the same period.

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

### 22 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	118,209	166,902

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

### 23 Share capital

	Group and company	
	2022	2021
Ordinary share capital	£	£
Issued and fully paid		
52,500 Ordinary shares of £1 each	52,500	52,500

Each share is entitled to one vote in any circumstance. Dividends are paid in proportion to shareholdings.

### 24 Financial commitments, guarantees and contingent liabilities

There is a debenture in place creating a fixed and floating charge over the assets of Manor Coating Systems Limited. A cross guarantee exists between Manor Coating Systems (Holdings) Limited, Manor Coating Systems (Properties) Limited and Manor Coating Systems Limited supported by debentures from Manor Coating Systems (Properties) Limited and Manor Coating Systems (Holdings) Limited.

### 25 Operating lease commitments

#### Lessee

Operating lease payments represent rentals payable by the group for certain properties and vehicles.

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	48,638	69,364	-	-
Between two and five years	14,180	121,191	-	-
In over five years	-	58,373	-	-
	<u>62,818</u>	<u>248,928</u>	<u>-</u>	<u>-</u>

### 26 Directors' transactions

Dividends totaling £210,000 (2021 - £367,500) were paid in respect of shares held by the company's directors.

# MANOR COATING SYSTEMS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

### 27 Controlling party

The ultimate parent undertaking is Shipley Paint (Holdings) Limited, a company registered in England and Wales.

The registered office of the parent undertaking is Head Office, Otley Road, Charlestown, Baildon, West Yorkshire, BD17 7DP.

### 28 Cash generated from group operations

	2022 £	2021 £
Profit for the year after tax	404,223	821,160
Adjustments for:		
Taxation charged	51,638	240,255
Investment income	(11,256)	(1,190)
Loss on disposal of tangible fixed assets	261	1,654
Depreciation and impairment of tangible fixed assets	178,479	173,864
Net movement in current asset investments	41,466	(64,753)
Movements in working capital:		
(Increase) in stocks	(229,167)	(361,603)
(Increase) in debtors	(95,788)	(57,161)
(Decrease) in creditors	(29,343)	(6,936)
<b>Cash generated from operations</b>	<b>310,513</b>	<b>745,290</b>

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.