

Company Registration No. 6697759 (England and Wales)

PANAZ HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

PM+M Solutions for Business LLP
Chartered Accountants
New Century House
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

PANAZ HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr A J W Attard Mrs P M Attard Mr S Attard Mr R S Attard
Secretary	Mrs P M Attard
Company number	6697759
Registered office	Bentley Wood Way Network 65 Business Park Hapton Burnley Lancashire BB11 5ST
Auditor	PM+M Solutions for Business LLP New Century House Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB

PANAZ HOLDINGS LIMITED

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 - 5
Independent auditor's report	6 - 9
Group statement of comprehensive income	10
Group balance sheet	11 - 12
Company balance sheet	13 - 14
Group statement of changes in equity	16
Company statement of changes in equity	15
Group statement of cash flows	17
Notes to the financial statements	18 - 35

PANAZ HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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

Fair Overview of the Business

Panaz Holdings owns companies within the group that manufactures and distributes exclusive Interior textiles and wallcoverings, all of which are designed exclusively within the Group and produced within our own manufacturing facilities or in conjunction with our strategic eco-system partners.

The Panaz global team has successfully established one of the world's foremost fabric companies, becoming leaders in the design, manufacture, and distribution of exclusive and desirable fabrics including inherently flame retardant. There is a clear culture within the business that is determined to ensure our customer receive the best possible professional service.

Embedded in the business is a strong, dedicated and internationally focused management team capable of delivering sizable growth.

Our continued strategy in the development of product, price and people within the business has successfully lead to profitable growth.

Key performance indicators

- Group Revenue: £20.9m
- Turnover up +34% (including Acquisition of Chase Erwin Ltd)
- EBITDA £2.3m
- Net cash position improved by +15% to over £7.9m (excluding CIBILS)

Key strengths

- Market leader with an ambition to grow and lead globally
- Huge spectrum of growth through an abundance of opportunities
- Lead by exemplary Customer service levels
- Substantial electronic customer interaction – website over 1m hits per annum.
- Exceptional employee engagement of over 85%
- Panaz is an acknowledged Industry innovator
- Over 10,000 Samples shipped weekly worldwide

Customer profile

- High-profile blue-chip customers
- Highly discerning Interior design and Architectural customer base.
- International and global Panaz brand awareness
- Global Shipping and cruise ship clients
- Over 80% repeat customers

Diversified product range offering unique one stop shop for contract fabric solutions.

Over 10,000 individual SKUs with a further number of print variants creates the largest choice of contract fabric available from stock in the UK. With multi-channel usage adding versatility and increased stock turn.

PANAZ HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Highlights for 2021/22

A conscious decision was taken to diversify our existing supply chain. This has led to more flexibility on cost and limited geopolitical risk. Panaz continues to invest in research and development in innovative products and processes that set a benchmark within the industry. We have recently created new trademarks in Shieldplus by Panaz, an antimicrobial fabric finish and topical cleaner, and Arma a new stain resistant and flame-retardant finish for polyester upholstery.

We continue to invest in the latest digital technology to enhance the speed of manufacturing and the variety of designs we can offer. In addition to new machinery, we have launched an online platform branded as Re-Make. An industry first digital platform, that allows pre-registered customers the opportunity to re-colour all Panaz designs from the product portfolio. In addition, the platform provides the software to upload designs to print directly on Panaz digital machinery. This investment in digital automation will offer significant opportunities in the future.

Sampling is an important part of the Panaz customer service proposition. Over 10,000 individual samples are shipped on a weekly basis worldwide. Recent investments in sampling order inputting has resulted in more information gathered to aid sales and stock inventory decisions.

All staff are incentivised to successfully retain customers and procure new avenues and are regarded as part of our profit incentive scheme. This is robustly tracked and managed through strategic analysis and key performance indicators.

At the end of 2021 Panaz successfully negotiated the purchase of Chase Erwin Ltd a luxury fabric brand. The brand works out of an office in Battersea and enjoys a well-established showroom in Chelsea harbour. With a substantial list of high-net-worth clients in both the UK market and overseas. We see significant synergistic opportunities to drive growth utilising the significant skill sets and sales networks within the group.

We aim to sustain and improve our natural environment for the benefit of all. We are committed to continual improvement in our environmental performance by improving the efficiency with which we use resources and through compliance with all relevant environmental regulation and legislation. We operate a robust environmental management system to ensure environmental issues are integrated into our business processes and practices.

Principle Risks and Uncertainties

Towards the end of the 2019/20 report, we highlighted the initial impact of the pandemic that started in January 2020. Since that report the world-wide effects of Covid 19 has significantly impacted on our global markets and supply chain throughout the current financial year. The emergence of the omicron variation of Covid 19 and the regional lockdowns continued to cause uncertainty in our core hospitality markets.

Our teams have fought hard to retain many European customers by offering exclusive designs and industry first like the Re-Make customisation program. Establishing viable routes into Europe and the creation of a European distribution hub in Holland has reduced the complexities and issues significantly.

The cost to ship and import products around the world has greatly increased primarily due to the decrease in shipping and aviation routes caused by the Pandemic and Brexit. We anticipate significant reductions to this risk in 2022/23, we are still however using all opportunities to reduce or mitigate costs.

The company is exposed to many risk profiles some of which are financial, including credit risk, liquidity risk, foreign exchange, internal/external fraud and pricing risk. However, much of the risk is managed by a comprehensive strategy that aims to limit potential adverse effects. Foreign exchange uncertainty adds to short term risk, although mostly hedged by export activities. The group has implemented policies and procedures that require appropriate credit checks on customers before sales are executed or agreed. The amount of exposure to any individual customer is subject to a limit, which is reassessed regularly.

Unfortunately, in today's environment there are now risks to computer and information systems. We actively take steps to mitigate against such factors and invest in protective software and have implemented advanced operating procedures.

Going concern

Despite the continuation of the Pandemic and complexities of Brexit the Directors are confident that profit will be generated for the full year in 2022 and Panaz is in a strong position to grow in the years to come.

Acquisitions

With significant levels of cash generation, Panaz Group is interested in acquisition opportunities that it believes will add value, enhance the Panaz brand awareness, and deliver a greater customer journey.

PANAZ HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

On behalf of the board

Mr A J W Attard
Director

15 December 2022

PANAZ HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activity of the company continued to be that of a holding company.

Results and dividends

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £312,000. The directors do not recommend payment of a further dividend.

Directors

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

Mr A J W Attard
Mrs P M Attard
Mr S Attard
Mr R S Attard

Auditor

The auditor, PM+M Solutions for Business LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

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.

PANAZ HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

On behalf of the board

Mr A J W Attard
Director

15 December 2022

PANAZ HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PANAZ HOLDINGS LIMITED

Opinion

We have audited the financial statements of Panaz Holdings Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 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 31 March 2022 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 *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.

PANAZ HOLDINGS LIMITED

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

Auditor's responsibilities for the audit of the financial statements

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

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

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.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

PANAZ HOLDINGS LIMITED

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

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- the matters discussed among the audit engagement team including significant component audit teams and involving relevant specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of commercial income, posting of unusual journals and complex transactions; and manipulating the Company's performance profit measures and other key performance indicators to meet remuneration targets and externally communicated targets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, employment law, health and safety regulations, pensions legislation and tax legislation.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the identified risks of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

PANAZ HOLDINGS LIMITED

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

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

Use of our report

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

David Gorton FCA CTA (Senior Statutory Auditor)
For and on behalf of PM+M Solutions for Business LLP

15 December 2022

Chartered Accountants
Statutory Auditor

New Century House
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

PANAZ HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Turnover	3	19,407,882	15,645,913
Cost of sales		(10,927,849)	(8,896,824)
Gross profit		8,480,033	6,749,089
Distribution costs		(1,597,251)	(1,029,462)
Administrative expenses		(5,085,838)	(4,629,755)
Other operating income		80,074	684,381
Operating profit	4	1,877,018	1,774,253
Interest receivable and similar income	8	10,526	9,353
Interest payable and similar expenses	9	(34,328)	(78,105)
Profit before taxation		1,853,216	1,705,501
Tax on profit	10	(374,071)	(224,938)
Profit for the financial year		1,479,145	1,480,563
Other comprehensive income			
Currency translation gain/(loss) taken to retained earnings		12,584	(42,705)
Total comprehensive income for the year		1,491,729	1,437,858
Profit for the financial year is attributable to:			
- Owners of the parent company		1,486,628	1,480,563
- Non-controlling interests		(7,483)	-
		1,479,145	1,480,563
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		1,499,212	1,437,858
- Non-controlling interests		(7,483)	-
		1,491,729	1,437,858

PANAZ HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Goodwill	12	156,590		-	
Other intangible assets	12	59,842		29,041	
Total intangible assets		216,432		29,041	
Tangible assets	13	3,209,437		3,172,381	
Investments	14	27,417		27,417	
		3,453,286		3,228,839	
Current assets					
Stocks	16	3,881,529		3,536,348	
Debtors	17	3,939,558		3,359,565	
Cash at bank and in hand		7,924,331		8,391,230	
		15,745,418		15,287,143	
Creditors: amounts falling due within one year	18	(4,297,854)		(3,470,381)	
Net current assets		11,447,564		11,816,762	
Total assets less current liabilities		14,900,850		15,045,601	
Creditors: amounts falling due after more than one year	19	(1,439,747)		(2,815,741)	
Provisions for liabilities					
Deferred tax liability	21	149,431		99,917	
			(149,431)		(99,917)
Net assets		13,311,672		12,129,943	
Capital and reserves					
Called up share capital	23	10,002		10,002	
Capital redemption reserve		10,000		10,000	
Profit and loss reserves		13,297,153		12,109,941	
Equity attributable to owners of the parent company		13,317,155		12,129,943	
Non-controlling interests		(5,483)		-	
		13,311,672		12,129,943	

PANAZ HOLDINGS LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

The financial statements were approved by the board of directors and authorised for issue on 15 December 2022 and are signed on its behalf by:

Mr A J W Attard
Director

Company registration number 6697759 (England and Wales)

PANAZ HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	13	2,361,040		2,395,040	
Investments	14	975,961		175,754	
		<u>3,337,001</u>		<u>2,570,794</u>	
Current assets					
Debtors	17	315,026		35,000	
Cash at bank and in hand		4,969,596		3,996,819	
		<u>5,284,622</u>		<u>4,031,819</u>	
Creditors: amounts falling due within one year	18	<u>(220,301)</u>		<u>(105,109)</u>	
Net current assets		<u>5,064,321</u>		<u>3,926,710</u>	
Total assets less current liabilities		<u>8,401,322</u>		<u>6,497,504</u>	
Creditors: amounts falling due after more than one year	19	<u>(1,439,747)</u>		<u>(1,540,741)</u>	
Provisions for liabilities					
Deferred tax liability	21	<u>32,928</u>		31,485	
		<u>(32,928)</u>		<u>(31,485)</u>	
Net assets		<u>6,928,647</u>		<u>4,925,278</u>	
Capital and reserves					
Called up share capital	23	10,002		10,002	
Capital redemption reserve		10,000		10,000	
Profit and loss reserves		6,908,645		4,905,276	
Total equity		<u>6,928,647</u>		<u>4,925,278</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £2,315,370 (2021 - £1,452,833 profit).

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

PANAZ HOLDINGS LIMITED

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

The financial statements were approved by the board of directors and authorised for issue on 15 December 2022 and are signed on its behalf by:

Mr A J W Attard
Director

Company registration number 6697759 (England and Wales)

PANAZ HOLDINGS LIMITED

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

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2020		10,002	10,000	3,533,443	3,553,445
Year ended 31 March 2021:					
Profit and total comprehensive income for the year		-	-	1,452,833	1,452,833
Dividends	11	-	-	(81,000)	(81,000)
Balance at 31 March 2021		10,002	10,000	4,905,276	4,925,278
Year ended 31 March 2022:					
Profit and total comprehensive income for the year		-	-	2,315,369	2,315,369
Dividends	11	-	-	(312,000)	(312,000)
Balance at 31 March 2022		10,002	10,000	6,908,645	6,928,647

PANAZ HOLDINGS LIMITED

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

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 April 2020		10,002	10,000	10,753,083	10,773,085	-	10,773,085
Year ended 31 March 2021:							
Profit for the year		-	-	1,480,563	1,480,563	-	1,480,563
Other comprehensive income:							
Currency translation differences		-	-	(42,705)	(42,705)	-	(42,705)
Total comprehensive income for the year		-	-	1,437,858	1,437,858	-	1,437,858
Dividends	11	-	-	(81,000)	(81,000)	-	(81,000)
Balance at 31 March 2021		10,002	10,000	12,109,941	12,129,943	-	12,129,943
Year ended 31 March 2022:							
Profit for the year		-	-	1,486,628	1,486,628	(7,483)	1,479,145
Other comprehensive income:							
Currency translation differences		-	-	12,584	12,584	-	12,584
Total comprehensive income for the year		-	-	1,499,212	1,499,212	(7,483)	1,491,729
Dividends	11	-	-	(312,000)	(312,000)	-	(312,000)
Acquisition of subsidiary		-	-	-	-	2,000	2,000
Balance at 31 March 2022		10,002	10,000	13,297,153	13,317,155	(5,483)	13,311,672

PANAZ HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

		2022		2021	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	27	2,094,400		2,649,660	
Interest paid		(34,328)		(78,105)	
Income taxes paid		(202,936)		(319,786)	
Net cash inflow from operating activities		1,857,136		2,251,769	
Investing activities					
Purchase of business		(718,741)		-	
Purchase of intangible assets		(38,580)		(11,811)	
Purchase of tangible fixed assets		(290,897)		(230,776)	
Interest received		8,441		6,708	
Dividends received		297		-	
Other income received from investments		1,788		2,645	
Net cash used in investing activities		(1,037,692)		(233,234)	
Financing activities					
Payment to directors loan		(108,612)		(14,753)	
Proceeds from new bank loans		-		1,500,000	
Repayment of bank loans		(1,598,553)		(49,263)	
Dividends paid to equity shareholders		(312,000)		(81,000)	
Net cash (used in)/generated from financing activities		(2,019,165)		1,354,984	
Net (decrease)/increase in cash and cash equivalents		(1,199,721)		3,373,519	
Cash and cash equivalents at beginning of year		8,391,230		5,017,711	
Cash acquired on purchase of business		732,822		-	
Cash and cash equivalents at end of year		7,924,331		8,391,230	

PANAZ HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Panaz Holdings Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Bentley Wood Way, Network 65 Business Park, Hapton, Burnley, Lancashire, BB11 5ST.

The group consists of Panaz Holdings Ltd and all of its subsidiaries.

1.1 Accounting convention

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

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

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

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

- Section 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.

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.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

PANAZ HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

The consolidated group financial statements consist of the financial statements of the parent company Panaz Holdings Ltd together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 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 is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

1.5 Intangible fixed assets - goodwill

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

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Software	20-33% Straight line
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PANAZ HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.7 Tangible fixed assets

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

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

Freehold land and buildings	2% straight line
Plant and machinery	10%-20% straight line
Office equipment	20% straight line
Motor vehicles	20% straight line

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

1.8 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.

1.9 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.

PANAZ HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

1.10 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.

1.11 Cash at bank and in hand

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

1.12 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.

PANAZ HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies 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.

1.13 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.

1.14 Taxation

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

PANAZ HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Current tax

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

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 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.

1.16 Retirement benefits

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

1.17 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.

1.18 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.

PANAZ HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.19 Foreign exchange

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

2 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.

The requirement for a stock provision is reviewed on an ongoing basis. The estimation of certain stock lines that have not been sold for a period of longer than 12 months are then provided for in the accounts. The stock provision at the year end totals £640,991 (2021 - £659,843).

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by geographical market		
UK	13,412,598	9,630,582
Europe	3,313,896	3,478,264
Rest of World	2,681,388	2,537,067
	<u>19,407,882</u>	<u>15,645,913</u>
	2022	2021
	£	£
Other revenue		
Interest income	8,441	6,708
Dividends received	297	-
Grants received	<u>80,790</u>	<u>684,381</u>

PANAZ HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(188,254)	(160,892)
Government grants	(80,790)	(684,381)
Depreciation of owned tangible fixed assets	257,298	227,676
Loss on disposal of tangible fixed assets	778	-
Amortisation of intangible assets	7,779	6,598
Operating lease charges	308,107	227,875

5 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	53	43	4	4
Sales	18	17	-	-
Production	39	28	-	-
Total	110	88	4	4

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	3,377,390	2,913,807	50,000	59,991
Social security costs	371,780	288,499	-	-
Pension costs	69,826	188,882	-	120,000
	3,818,996	3,391,188	50,000	179,991

6 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	3,750	3,750
Audit of the financial statements of the company's subsidiaries	31,250	16,255
	35,000	20,005

PANAZ HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	209,832	59,991
Company pension contributions to defined contribution schemes	11,001	120,000
	<u>220,833</u>	<u>179,991</u>

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

	2022 £	2021 £
Remuneration for qualifying services	86,340	-

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

8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	8,441	6,708
Other income from investments		
Dividends received	297	-
	<u>8,738</u>	<u>6,708</u>
Income from fixed asset investments		
Income from other fixed asset investments	1,788	2,645
Total income	<u>10,526</u>	<u>9,353</u>

9 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and loans	34,328	78,105

10 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	277,355	247,651
Adjustments in respect of prior periods	45,672	(37,843)
Total current tax	<u>323,027</u>	<u>209,808</u>

PANAZ HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

10 Taxation (Continued)

	2022 £	2021 £
Deferred tax		
Origination and reversal of timing differences	3,382	15,130
Changes in tax rates	47,662	-
	<u>51,044</u>	<u>15,130</u>
Total deferred tax	<u>51,044</u>	<u>15,130</u>
Total tax charge	<u>374,071</u>	<u>224,938</u>

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	<u>1,853,216</u>	<u>1,705,501</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	352,111	324,045
Tax effect of expenses that are not deductible in determining taxable profit	4,031	455
Tax effect of income not taxable in determining taxable profit	-	(2,747)
Research and development tax credit	(68,550)	(66,009)
Under/(over) provided in prior years	45,672	(37,843)
Remeasurement of deferred tax for changes in expected tax rates	47,662	-
Fixed asset differences	(6,855)	7,037
	<u>374,071</u>	<u>224,938</u>

11 Dividends

	2022 £	2021 £
Recognised as distributions to equity holders:		
Final paid	<u>312,000</u>	<u>81,000</u>

PANAZ HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

12 Intangible fixed assets

Group	Goodwill £	Software £	Total £
Cost			
At 1 April 2021	-	36,948	36,948
Additions - separately acquired	-	38,580	38,580
Additions - business combinations	156,590	-	156,590
At 31 March 2022	156,590	75,528	232,118
Amortisation and impairment			
At 1 April 2021	-	7,907	7,907
Amortisation charged for the year	-	7,779	7,779
At 31 March 2022	-	15,686	15,686
Carrying amount			
At 31 March 2022	156,590	59,842	216,432
At 31 March 2021	-	29,041	29,041

The company had no intangible fixed assets at 31 March 2022 or 31 March 2021.

13 Tangible fixed assets

Group	Freehold land and buildings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2021	2,830,731	1,216,459	657,491	122,505	4,827,186
Additions	26,206	63,904	139,962	60,825	290,897
Business combinations	-	-	4,235	-	4,235
Disposals	-	-	(5,016)	-	(5,016)
At 31 March 2022	2,856,937	1,280,363	796,672	183,330	5,117,302
Depreciation and impairment					
At 1 April 2021	315,349	725,684	531,260	82,512	1,654,805
Depreciation charged in the year	56,230	111,438	89,630	-	257,298
Eliminated in respect of disposals	-	-	(4,238)	-	(4,238)
At 31 March 2022	371,579	837,122	616,652	82,512	1,907,865
Carrying amount					
At 31 March 2022	2,485,358	443,241	180,020	100,818	3,209,437
At 31 March 2021	2,515,382	490,775	126,231	39,993	3,172,381

PANAZ HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

13	Tangible fixed assets					(Continued)
	Company					Freehold land and buildings £
	Cost					
	At 1 April 2021 and 31 March 2022					2,620,000
	Depreciation and impairment					
	At 1 April 2021					224,960
	Depreciation charged in the year					34,000
	At 31 March 2022					258,960
	Carrying amount					
	At 31 March 2022					2,361,040
	At 31 March 2021					2,395,040
14	Fixed asset investments					
		Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
	Investments in subsidiaries	15	-	-	948,544	148,337
	Listed investments		27,417	27,417	27,417	27,417
			27,417	27,417	975,961	175,754
	Movements in fixed asset investments					
	Group					Investments £
	Cost or valuation					
	At 1 April 2021 and 31 March 2022					27,417
	Carrying amount					
	At 31 March 2022					27,417
	At 31 March 2021					27,417

PANAZ HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

14 Fixed asset investments (Continued)

Movements in fixed asset investments			
Company	Shares in subsidiaries	Other investments	Total
	£	£	£
Cost or valuation			
At 1 April 2021	148,337	27,417	175,754
Additions	800,207	-	800,207
At 31 March 2022	948,544	27,417	975,961
Carrying amount			
At 31 March 2022	948,544	27,417	975,961
At 31 March 2021	148,337	27,417	175,754

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
Panaz Limited	England, United Kingdom	Textile manufacturer	Ordinary	100.00
Panaz USA Inc	USA	Textile manufacturer	Ordinary	100.00
Panaz Europe Ltd	England, United Kingdom	Dormant	Ordinary	100.00
Essential Soft Furnishings Limited	England, United Kingdom	Textile manufacturer	Ordinary	80.00
Chase Erwin Limited	England, United Kingdom	Textile manufacturer	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

- 1 Panaz HQ, Bentley Wood Way, Network 65 Business Park, Hapton, Burnley, Lancashire, BB11 5ST
- 2 17 Mandeville Court Yard, 142 Battersea Park Road, London, SW11 4NB
- 3 Rawlings House, Exchange Street, Blackburn, BB1 7JN

Panaz Holdings Limited has provided parental guarantee through section 479 of the company's act to Essential Soft Furnishings Limited during this financial year.

PANAZ HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

16 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Raw materials and consumables	872,356	817,671	-	-
Finished goods and goods for resale	3,009,173	2,718,677	-	-
	<u>3,881,529</u>	<u>3,536,348</u>	<u>-</u>	<u>-</u>

17 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	3,471,442	3,062,973	35,000	35,000
Amounts owed by group undertakings	-	-	170,000	-
Other debtors	239,499	127,316	110,026	-
Prepayments and accrued income	228,617	169,276	-	-
	<u>3,939,558</u>	<u>3,359,565</u>	<u>315,026</u>	<u>35,000</u>

18 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	20	95,828	318,387	95,828	93,387
Trade creditors		3,060,380	2,335,881	-	-
Amounts owed to group undertakings		-	-	1,476	-
Corporation tax payable		274,435	88,521	39,731	1,922
Other taxation and social security		370,180	327,311	-	-
Other creditors		161,034	122,353	73,466	-
Accruals and deferred income		335,997	277,928	9,800	9,800
		<u>4,297,854</u>	<u>3,470,381</u>	<u>220,301</u>	<u>105,109</u>

19 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	20	1,439,747	2,815,741	1,439,747	1,540,741
		<u>1,439,747</u>	<u>2,815,741</u>	<u>1,439,747</u>	<u>1,540,741</u>

PANAZ HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

20 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	<u>1,535,575</u>	<u>3,134,128</u>	<u>1,535,575</u>	<u>1,634,128</u>
Payable within one year	95,828	318,387	95,828	93,387
Payable after one year	<u>1,439,747</u>	<u>2,815,741</u>	<u>1,439,747</u>	<u>1,540,741</u>

Loans amounting to £1,535,575 are secured by fixed and floating charges over the group's assets. The loan is repayable over 20 years and is subject to interest at 1.95% over the Bank of England base rate.

21 Deferred taxation

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

Group	Liabilities 2022 £	Liabilities 2021 £
Fixed asset timing differences	150,185	151,857
Short term timing differences	(754)	(51,940)
	<u>149,431</u>	<u>99,917</u>
	Liabilities 2022 £	Liabilities 2021 £
Company		
Fixed asset timing differences	<u>32,928</u>	<u>31,485</u>
	Group 2022 £	Company 2022 £
Movements in the year:		
Liability at 1 April 2021	99,917	31,485
Charge to profit or loss	<u>49,514</u>	<u>1,443</u>
Liability at 31 March 2022	<u>149,431</u>	<u>32,928</u>

PANAZ HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

22 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	69,826	188,882

Defined contribution pension schemes are operated for all qualifying employees. The assets of the schemes are held separately from those of the group in independently administered funds.

23 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
A Ordinary of £1 each	9,498	9,500	9,498	9,500
B Ordinary of £1 each	501	500	501	500
C Ordinary of £1 each	1	1	1	1
D Ordinary of £1 each	1	1	1	1
E Ordinary of £1 each	1	-	1	-
	10,002	10,002	10,002	10,002

During the year on 23 April 2021 a change in the designation of shares was voted.

24 Acquisition of a business

On 1 November 2022 the group acquired 100 percent of the issued capital of Chase Erwin Ltd.

	Book Value	Adjustments	Fair Value
	£	£	£
Net assets acquired			
Property, plant and equipment	4,235	-	4,235
Inventories	246,950	-	246,950
Trade and other receivables	317,209	-	317,209
Cash and cash equivalents	732,822	-	732,822
Trade and other payables	(601,306)	-	(601,306)
Tax liabilities	(67,276)	-	(67,276)
Deferred tax	2,983	-	2,983
Total identifiable net assets	635,617	-	635,617
Goodwill			156,590
Total consideration			792,207

PANAZ HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

24 Acquisition of a business

(Continued)

The consideration was satisfied by: £

Cash	718,741
Deferred consideration	73,466

792,207

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

£

Turnover	602,366
Loss after tax	(55,350)

25 Operating lease commitments

Lessee

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

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	168,651	95,560	-	-
Between two and five years	269,934	78,138	-	-
	<u>438,585</u>	<u>173,698</u>	<u>-</u>	<u>-</u>

26 Directors' transactions

Included within other debtors due within one year are loans to directors amounting to £131,383 (2021 - £22,771). The balance is repayable on demand.

PANAZ HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

27 Cash generated from group operations

	2022 £	2021 £
Profit for the year after tax	1,479,145	1,480,563
Adjustments for:		
Taxation charged	374,071	224,938
Finance costs	34,328	78,105
Investment income	(10,526)	(9,353)
Loss on disposal of tangible fixed assets	778	-
Amortisation and impairment of intangible assets	7,779	6,598
Depreciation and impairment of tangible fixed assets	257,298	227,676
Movements in working capital:		
(Increase)/decrease in stocks	(98,231)	647,482
(Increase)/decrease in debtors	(139,588)	348,571
Increase/(decrease) in creditors	189,346	(354,920)
Cash generated from operations	2,094,400	2,649,660

28 Analysis of changes in net funds - group

	1 April 2021 £	Cash flows £	Acquisitions and disposals £	31 March 2022 £
Cash at bank and in hand	8,391,230	(1,199,721)	732,822	7,924,331
Borrowings excluding overdrafts	(3,134,128)	1,598,553	-	(1,535,575)
	5,257,102	398,832	732,822	6,388,756

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.