

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021  
FOR  
VITESSE PLC**

Sargeant Partnership LLP  
Chartered Accountants  
and Statutory Auditors  
5 White Oak Square  
London Road  
Swanley  
Kent  
BR8 7AG

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FOR THE YEAR ENDED 30 JUNE 2021**

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**VITESSE PLC**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 30 JUNE 2021**

**DIRECTORS:** C P Mather  
R A Parncutt

**SECRETARY:** C Hancock

**REGISTERED OFFICE:** Unit 5 White Oak Square  
London Road  
Swanley  
Kent  
BR8 7AG

**REGISTERED NUMBER:** 03873327 (England and Wales)

**AUDITORS:** Sargeant Partnership LLP  
Chartered Accountants  
and Statutory Auditors  
5 White Oak Square  
London Road  
Swanley  
Kent  
BR8 7AG

## **VITESSE PLC (REGISTERED NUMBER: 03873327)**

### **STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2021**

The directors present their strategic report for the year ended 30 June 2021.

#### **REVIEW OF BUSINESS**

The company has five revenue streams which include remanufactured printer cartridges, desktop printer repairs, desktop rental division, managed print division and the sale and service of multi function devices.

The company has continued to utilise cash flow to fund capital expenditure requirements of the rental fleet while asset finance facilities have also been used to support the financing of fixed assets.

Management use a range of performance measures to monitor and manage the business including turnover and EBITDA. The company recorded a turnover of £7.4m (2020 £10m). EBITDA was £630k (2020 £595k).

The Covid 19 pandemic has presented significant difficulties across the entire financial year. During this time the directors adapted the business appropriately, making use of government support, but the downturn in trade due to the pandemic has been unavoidable.

The company has net assets at the year end of £1.3m an increase on the previous year. After taking all key performance indicators into account the directors consider the results for the year to be satisfactory.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

Despite the impact of the pandemic the A4 usage has remained stable. Due to many businesses delaying the return to their offices the A3 part of the business has suffered significant disruption, it is impossible to quantify the impact on the sector post pandemic until some level of normality returns.

In addition the pandemic has impacted the business in a number of different ways, the closure of large offices has resulted in a reduction in overall revenue plus many A3 devices have been 'switched off' as they are not regarded as Covid safe, though conversely A4 devices are regarded as Covid safe. This has led to an overall 64% drop in service revenue for A3 devices and a 20% drop for A4 devices. The company's revenue make up is predominantly 80% A4 which has allowed the business to continue trading at reasonable levels.

#### **FUTURE DEVELOPMENTS**

Since the year end the company has undergone a further review of the salary structure in light of the furlough scheme ending. Further redundancies have taken place with on going salary costs reduced to £2.35m. Plans to reduce the rent on office is on going with significant saving envisaged in 2022.

#### **GOING CONCERN**

The directors have concluded that in the event of the economy returning semi state of lockdown until June 2022 then the business will be able to trade through that period with its current cashflow and an unutilised CBILS facility.

#### **ON BEHALF OF THE BOARD:**

C P Mather - Director

21 December 2021

## **VITESSE PLC (REGISTERED NUMBER: 03873327)**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2021**

The directors present their report with the financial statements of the company for the year ended 30 June 2021.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the provision of printer cartridges, computer consumables and printer repairs.

#### **DIVIDENDS**

The total distribution of dividends for the year ended 30 June 2021 will be £ 124,005 .

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 July 2020 to the date of this report.

C P Mather  
R A Parncutt

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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

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

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

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**VITESSE PLC (REGISTERED NUMBER: 03873327)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30 JUNE 2021**

**AUDITORS**

The auditors, Sargeant Partnership LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

C P Mather - Director

21 December 2021

# **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VITESSE PLC**

## **Opinion**

We have audited the financial statements of Vitesse Plc (the 'company') for the year ended 30 June 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

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

## **Other information**

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

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

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

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VITESSE PLC**

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

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

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

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

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

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

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

### **Responsibilities of directors**

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

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

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VITESSE PLC**

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

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

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

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISA's (UK).

In identifying and assessing risks of material misstatement in respect of irregularities including, fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and the sector in which they operate. We determined that the following laws and regulations were most significant: the Companies Act 2006, the UK Corporate Governance Code and UK corporate taxation laws.

-We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making inquiries to the management and directors. We corroborated our inquiries through our review of board minutes and papers provided to the audit engagement team.

-We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit engagement team included:

- a) Identifying and assessing the design effectiveness of controls management has put in place to prevent and detect fraud;
- b) Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- c) Challenging assumptions and judgements made by management in its significant accounting estimates;
- d) Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations: and
- e) Assessing the extent of compliance with the relevant laws and regulations.

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

# **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VITESSE PLC**

## **Use of our report**

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

Gary Sargeant (Senior Statutory Auditor)  
for and on behalf of Sargeant Partnership LLP  
Chartered Accountants  
and Statutory Auditors  
5 White Oak Square  
London Road  
Swanley  
Kent  
BR8 7AG

22 December 2021

**VITESSE PLC (REGISTERED NUMBER: 03873327)****INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2021 £	2020 £
<b>TURNOVER</b>		7,479,201	9,990,325
Cost of sales		<u>3,671,716</u>	<u>4,882,129</u>
<b>GROSS PROFIT</b>		3,807,485	5,108,196
Administrative expenses		<u>4,546,718</u> (739,233)	<u>5,695,715</u> (587,519)
Other operating income		<u>946,091</u>	<u>599,181</u>
<b>OPERATING PROFIT</b>	4	206,858	11,662
Interest payable and similar expenses	5	<u>21,279</u>	<u>17,627</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		185,579	(5,965)
Tax on profit/(loss)	6	<u>35,675</u>	<u>19,946</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>149,904</u>	<u>(25,911)</u>

The notes form part of these financial statements

**VITESSE PLC (REGISTERED NUMBER: 03873327)**

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2021 £	2020 £
<b>PROFIT/(LOSS) FOR THE YEAR</b>		149,904	(25,911)
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>149,904</u>	<u>(25,911)</u>

The notes form part of these financial statements

**VITESSE PLC (REGISTERED NUMBER: 03873327)****BALANCE SHEET  
30 JUNE 2021**

	Notes	2021 £	£	2020 £	£
<b>FIXED ASSETS</b>					
Intangible assets	8		-		-
Tangible assets	9		<u>1,498,348</u>		<u>1,531,630</u>
			1,498,348		1,531,630
<b>CURRENT ASSETS</b>					
Stocks	10	1,159,876		791,501	
Debtors	11	1,474,566		955,468	
Cash at bank		<u>966,670</u>		<u>192,989</u>	
		3,601,112		1,939,958	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>2,910,648</u>		<u>2,114,417</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>690,464</u>		<u>(174,459)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,188,812		1,357,171
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		(997,885)		(223,496)
<b>PROVISIONS FOR LIABILITIES</b>	16		<u>(94,273)</u>		<u>(62,920)</u>
<b>NET ASSETS</b>			<u>1,096,654</u>		<u>1,070,755</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		250,000		250,000
Share premium	18		316,025		316,025
Retained earnings	18		<u>530,629</u>		<u>504,730</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,096,654</u>		<u>1,070,755</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 December 2021 and were signed on its behalf by:

C P Mather - Director

The notes form part of these financial statements

**VITESSE PLC (REGISTERED NUMBER: 03873327)****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2021**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1 July 2019</b>	-	823,853	316,025	1,139,878
<b>Changes in equity</b>				
Issue of share capital	250,000	-	-	250,000
Dividends	-	(293,212)	-	(293,212)
Total comprehensive income	-	(25,911)	-	(25,911)
<b>Balance at 30 June 2020</b>	<u>250,000</u>	<u>504,730</u>	<u>316,025</u>	<u>1,070,755</u>
<b>Changes in equity</b>				
Dividends	-	(124,005)	-	(124,005)
Total comprehensive income	-	149,904	-	149,904
<b>Balance at 30 June 2021</b>	<u>250,000</u>	<u>530,629</u>	<u>316,025</u>	<u>1,096,654</u>

The notes form part of these financial statements

**VITESSE PLC (REGISTERED NUMBER: 03873327)****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(11,220)	1,118,232
Interest element of hire purchase payments paid		(21,279)	(17,627)
Tax paid		(106,032)	-
Net cash from operating activities		<u>(138,531)</u>	<u>1,100,605</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(339,994)	(236,026)
Sale of tangible fixed assets		26,943	38,112
Net cash from investing activities		<u>(313,051)</u>	<u>(197,914)</u>
<b>Cash flows from financing activities</b>			
New loans in year		1,000,000	-
Capital repayments in year		(68,912)	(142,388)
Equity dividends paid		(124,005)	(293,212)
Net cash from financing activities		<u>807,083</u>	<u>(435,600)</u>
<b>Increase in cash and cash equivalents</b>		<u>355,501</u>	<u>467,091</u>
<b>Cash and cash equivalents at beginning of year</b>	2	(118,362)	(585,453)
<b>Cash and cash equivalents at end of year</b>	2	<u>237,139</u>	<u>(118,362)</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021**

**1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2021 £	2020 £
Profit/(loss) before taxation	185,579	(5,965)
Depreciation charges	366,717	580,323
Profit on disposal of fixed assets	(20,384)	(17,696)
Finance costs	<u>21,279</u>	<u>17,627</u>
	553,191	574,289
Increase in stocks	(368,375)	(2,480)
(Increase)/decrease in trade and other debtors	(519,098)	966,572
Increase/(decrease) in trade and other creditors	<u>323,062</u>	<u>(420,149)</u>
<b>Cash generated from operations</b>	<u>(11,220)</u>	<u>1,118,232</u>

**2. CASH AND CASH EQUIVALENTS**

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

**Year ended 30 June 2021**

	30/6/21 £	1/7/20 £
Cash and cash equivalents	966,670	192,989
Bank overdrafts	<u>(729,531)</u>	<u>(311,351)</u>
	<u>237,139</u>	<u>(118,362)</u>

**Year ended 30 June 2020**

	30/6/20 £	1/7/19 £
Cash and cash equivalents	192,989	-
Bank overdrafts	<u>(311,351)</u>	<u>(585,453)</u>
	<u>(118,362)</u>	<u>(585,453)</u>

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/7/20 £	Cash flow £	At 30/6/21 £
<b>Net cash</b>			
Cash at bank	192,989	773,681	966,670
Bank overdrafts	<u>(311,351)</u>	<u>(418,180)</u>	<u>(729,531)</u>
	<u>(118,362)</u>	<u>355,501</u>	<u>237,139</u>
<b>Debt</b>			
Finance leases	(407,679)	68,912	(338,767)
Debts falling due within 1 year	-	(183,333)	(183,333)
Debts falling due after 1 year	<u>-</u>	<u>(816,667)</u>	<u>(816,667)</u>
	<u>(407,679)</u>	<u>(931,088)</u>	<u>(1,338,767)</u>
<b>Total</b>	<u>(526,041)</u>	<u>(575,587)</u>	<u>(1,101,628)</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**1. STATUTORY INFORMATION**

Vitesse Plc is a private company, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

**Critical accounting 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.

There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in these accounts.

**Turnover**

Turnover comprises the fair value of consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities.

The company recognises revenue when:

- The amount of revenue can be reliably measured;
- is probable that future economic benefits will flow to entity;
- and specific criteria have been met for each of the company's activities.

**Intangible assets**

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

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- 10% per annum on cost
Plant and machinery	- 10% per annum on cost
Fixtures and fittings	- Straight line over 4 years
Motor vehicles	- Straight line over 4 years

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2021**

**2. ACCOUNTING POLICIES - continued**

**Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

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

**Deferred tax**

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

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

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

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

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

**Functional currency**

The functional currency of the Company is the Great British Pound ("GBP "). And the figures are shown to the nearest pound.

**Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2021

3. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	2,670,234	3,321,985
Social security costs	263,731	346,060
Other pension costs	61,144	73,425
	<u>2,995,109</u>	<u>3,741,470</u>

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

	2021	2020
Directors	2	2
Administration and support	10	13
Sales, marketing and distribution	60	67
	<u>72</u>	<u>82</u>

	2021	2020
	£	£
Directors' remuneration	230,087	210,650
Directors' pension contributions to money purchase schemes	<u>6,600</u>	<u>6,600</u>

Information regarding the highest paid director is as follows:

	2021	2020
	£	£
Emoluments etc	207,920	204,650
Pension contributions to money purchase schemes	<u>6,600</u>	<u>6,600</u>

4. OPERATING PROFIT

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

	2021	2020
	£	£
Depreciation - owned assets	261,579	470,052
Depreciation - assets on hire purchase contracts	105,138	96,874
Profit on disposal of fixed assets	(20,384)	(17,696)
Goodwill amortisation	-	110,271
Auditors' remuneration	<u>14,789</u>	<u>21,000</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Hire purchase	<u>21,279</u>	<u>17,627</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2021

6. TAXATION

**Analysis of the tax charge**

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

	2021 £	2020 £
Current tax:		
UK corporation tax	4,322	11,041
Deferred tax	<u>31,353</u>	<u>8,905</u>
Tax on profit/(loss)	<u>35,675</u>	<u>19,946</u>

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

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

	2021 £	2020 £
Profit/(loss) before tax	<u>185,579</u>	<u>(5,965)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	35,260	(1,133)
Effects of:		
Expenses not deductible for tax purposes	3,314	16,465
Income not taxable for tax purposes	(3,873)	-
Capital allowances in excess of depreciation	(30,379)	(4,291)
Deferred tax	<u>31,353</u>	<u>8,905</u>
Total tax charge	<u>35,675</u>	<u>19,946</u>

7. DIVIDENDS

	2021 £	2020 £
Interim	<u>124,005</u>	<u>293,212</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2021

8. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1 July 2020	3,205,528
Disposals	<u>(3,205,528)</u>
At 30 June 2021	<u>-</u>
<b>AMORTISATION</b>	
At 1 July 2020	3,205,528
Eliminated on disposal	<u>(3,205,528)</u>
At 30 June 2021	<u>-</u>
<b>NET BOOK VALUE</b>	
At 30 June 2021	<u>-</u>
At 30 June 2020	<u>-</u>

9. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 July 2020	64,888	5,604,540	338,609	1,069,765	7,077,802
Additions	25,599	308,079	2,816	3,500	339,994
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(61,450)</u>	<u>(61,450)</u>
At 30 June 2021	<u>90,487</u>	<u>5,912,619</u>	<u>341,425</u>	<u>1,011,815</u>	<u>7,356,346</u>
<b>DEPRECIATION</b>					
At 1 July 2020	48,222	4,333,798	295,283	868,869	5,546,172
Charge for year	8,501	272,831	16,074	69,311	366,717
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,891)</u>	<u>(54,891)</u>
At 30 June 2021	<u>56,723</u>	<u>4,606,629</u>	<u>311,357</u>	<u>883,289</u>	<u>5,857,998</u>
<b>NET BOOK VALUE</b>					
At 30 June 2021	<u>33,764</u>	<u>1,305,990</u>	<u>30,068</u>	<u>128,526</u>	<u>1,498,348</u>
At 30 June 2020	<u>16,666</u>	<u>1,270,742</u>	<u>43,326</u>	<u>200,896</u>	<u>1,531,630</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2021

9. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 July 2020	304,330	289,069	593,399
Additions	95,841	-	95,841
Disposals	-	(35,100)	(35,100)
At 30 June 2021	<u>400,171</u>	<u>253,969</u>	<u>654,140</u>
<b>DEPRECIATION</b>			
At 1 July 2020	36,042	60,832	96,874
Charge for year	37,261	67,877	105,138
At 30 June 2021	<u>73,303</u>	<u>128,709</u>	<u>202,012</u>
<b>NET BOOK VALUE</b>			
At 30 June 2021	<u>326,868</u>	<u>125,260</u>	<u>452,128</u>
At 30 June 2020	<u>268,288</u>	<u>228,237</u>	<u>496,525</u>

10. STOCKS

	2021 £	2020 £
Raw materials	<u>1,159,876</u>	<u>791,501</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	1,430,844	908,256
Other debtors	10,714	1,200
Prepayments	33,008	46,012
	<u>1,474,566</u>	<u>955,468</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2021

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 14)	912,864	311,351
Hire purchase contracts (see note 15)	157,549	184,183
Trade creditors	519,508	363,091
Tax	4,322	106,032
Social security and other taxes	49,968	69,526
VAT	391,605	381,109
Other creditors	200,986	269,044
Accruals and deferred income	673,846	430,081
	<u>2,910,648</u>	<u>2,114,417</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans (see note 14)	816,667	-
Hire purchase contracts (see note 15)	181,218	223,496
	<u>997,885</u>	<u>223,496</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	729,531	311,351
Bank loans - less than 1 yr	183,333	-
	<u>912,864</u>	<u>311,351</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	200,000	-
	<u>200,000</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	616,667	-
	<u>616,667</u>	<u>-</u>

**VITESSE PLC (REGISTERED NUMBER: 03873327)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2021**

**15. LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Net obligations repayable:		
Within one year	157,549	184,183
Between one and five years	<u>181,218</u>	<u>223,496</u>
	<u>338,767</u>	<u>407,679</u>

**16. PROVISIONS FOR LIABILITIES**

	2021 £	2020 £
Deferred tax		
Accclerated capital allowances	<u>94,273</u>	<u>62,920</u>

	Deferred tax £
Balance at 1 July 2020	62,920
Provided during year	<u>31,353</u>
Balance at 30 June 2021	<u>94,273</u>

**17. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2021 £	2020 £
250,000	Ordinary		<u>250,000</u>	<u>250,000</u>

**18. RESERVES**

	Retained earnings £	Share premium £	Totals £
At 1 July 2020	504,730	316,025	820,755
Profit for the year	149,904		149,904
Dividends	<u>(124,005)</u>		<u>(124,005)</u>
At 30 June 2021	<u>530,629</u>	<u>316,025</u>	<u>846,654</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2021**

**19. RELATED PARTY DISCLOSURES**

The company paid out dividends to C P Mather totalling £124,005.

During the year, the company sold a vehicle to director, C P Mather, for £54,000. We have deemed this transaction to be at fair value.

**20. ULTIMATE CONTROLLING PARTY**

The Ultimate Controlling Party is Mr C Mather by virtue of his shareholding.

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.