

REGALEAD LIMITED
GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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FOR THE YEAR ENDED 31 DECEMBER 2021

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REGALEAD LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021**

DIRECTORS: J Whalley
D S Baker
G R Hubble
C A Regan

SECRETARY: C A Regan

REGISTERED OFFICE: Columbus House
Altrincham Road
Sharston
Manchester
M22 9AF

REGISTERED NUMBER: 04211244 (England and Wales)

AUDITORS: Clarke Nicklin LLP
Chartered Accountants and
Statutory Auditors
Clarke Nicklin House
Brooks Drive
Cheadle Royal Business Park
Cheadle
Cheshire
SK8 3TD

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

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

REVIEW OF BUSINESS

The year to 31 December 2021 was successful from a trading perspective. The group benefitted from pent up demand in the industry after Covid-19 lockdowns. This demand recovered the lost activity from 2020 and generated a positive trading result for 2021.

Whilst the demand was welcome, this brought with it several operational challenges and put significant strain on the supply chain. Raw material costs continued to increase as a result of demand, and freight costs stabilised at unprecedented levels.

FINANCIAL PERFORMANCE INDICATORS

The group made a net profit of £620,167 (2020: £304,614). Turnover for the year at £12,988K increased by 17% compared with 2020 at £11,061K. This year-on-year comparison is a significant increase but does not take into account the national lockdowns imposed due to coronavirus, which saw the group shut down for almost the entirety of Q2 in 2020.

Gross margin was static at 29% (2020: 29%) as the group suffered further price increases on raw materials. Freight costs were at unprecedented levels throughout 2021, as a result, the company reluctantly implemented a surcharging policy to recover the costs from the customer base. Other operating income of £166k reduced from 2020's £509k as grant income received under the Coronavirus Job Retention Scheme was significantly lower, as the workforce returned to full strength to cope with demand. Administrative expenses reduced slightly in the year (2021 £3,172K versus 2020 £3,254K) with a focus on better cost control throughout the business.

RegaLead Canada Limited is a subsidiary of RegaLead Limited, based in Ontario to operate in the Canadian fenestration market. The directors made the decision to sign a sales agency agreement in order to rectify the previously disappointing results. However, the recovery could not be achieved and the decision made in 2020 to supply via distribution continued in 2021.

The directors are satisfied with the results for 2021 and have identified a number of significant margin and operational improvements as key strategic issues for 2022 and onwards. The directors believe that both will lead to improved financial performance in the future.

PRINCIPAL RISKS AND UNCERTAINTIES

The key principal risks facing the group are:

The current economic climate presents uncertainty in the market, with inflation, cost-of-living and energy crisis all being contributing factors. These risks will significantly impact upon future trading conditions of the business and significantly increase the cost of manufactured product, which the business will be forced to pass onto its customer base.

Raw material costs have significantly increased since the beginning of the coronavirus pandemic, as demand far outweighs supply. Whilst this has caused some issues during the year, the group's current supply base is well positioned to supply raw materials and deal with market conditions in the future.

The group has exposure to foreign currencies and mitigates this risk where it is feasible and cost effective to do so through currency forwards contracts. There was no currency forwards contract entered into that was outstanding as at 31 December 2021.

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

RegaLead derives 15.2% (2020:15.3%) of its revenues from lead products. The manufacture of lead strip is subject to sector specific Health and Safety and IPPC (environmental) regulations. Whilst RegaLead is fully compliant in its manufacturing and distribution processes, there is a future risk that change in either of these sets of regulations could affect the economic viability of manufacture, or else the distribution of the lead products into certain world territories.

ON BEHALF OF THE BOARD:

D S Baker - Director

29 September 2022

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

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

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of a provider of decorative products for the glass, windows and door industries.

DIVIDENDS

The total distribution of dividends in the period ended 31 December 2021 was £159,076 (2020: £123,315).

DIRECTORS

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

J Whalley
D S Baker
G R Hubble
C A Regan

Other changes in directors holding office are as follows:

V H Cruise ceased to be a director after 31 December 2021 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

REGALEAD LIMITED (REGISTERED NUMBER: 04211244)

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

AUDITORS

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

ON BEHALF OF THE BOARD:

D S Baker - Director

29 September 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF REGALEAD LIMITED

Opinion

We have audited the financial statements of Regalead Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF REGALEAD LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF REGALEAD LIMITED

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:

Procedures to identify risks:

- enquiring of management concerning the company's procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas: timing of recognition of sales and purchases and their related stock movements, posting of unusual journals; and
- obtaining an understanding of the legal and regulatory frameworks that the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the company. The key laws and regulations we considered in this context included UK Companies Act, employment law, health and safety, pensions legislation and tax legislation.

The procedures to respond to risks identified included:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- 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;
- reviewing correspondence with HMRC;
- testing the timing and matching of income and expense transactions relating to stock movements either side of the year end; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
REGALEAD LIMITED**

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.

Graham Travis FCA (Senior Statutory Auditor)
for and on behalf of Clarke Nicklin LLP
Chartered Accountants and
Statutory Auditors
Clarke Nicklin House
Brooks Drive
Cheadle Royal Business Park
Cheadle
Cheshire
SK8 3TD

29 September 2022

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

	Notes	Year ended 31.12.21 £	Period 31.12.19 to 31.12.20 £
TURNOVER	3	12,988,062	11,060,569
Cost of sales		<u>9,165,864</u>	<u>7,903,890</u>
GROSS PROFIT		3,822,198	3,156,679
Administrative expenses		<u>3,171,789</u> 650,409	<u>3,253,715</u> (97,036)
Other operating income		<u>165,716</u>	<u>509,072</u>
OPERATING PROFIT	5	816,125	412,036
Interest payable and similar expenses	6	<u>49,017</u>	<u>57,725</u>
PROFIT BEFORE TAXATION		767,108	354,311
Tax on profit	7	<u>146,941</u>	<u>49,697</u>
PROFIT FOR THE FINANCIAL YEAR		<u>620,167</u>	<u>304,614</u>
Profit attributable to: Owners of the parent		<u>620,167</u>	<u>304,614</u>

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

	Notes	Year ended 31.12.21 £	Period 31.12.19 to 31.12.20 £
PROFIT FOR THE YEAR		620,167	304,614
OTHER COMPREHENSIVE INCOME			
Exchange differences on consolidation		(3,333)	5,398
Income tax relating to other comprehensive income		<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>(3,333)</u>	<u>5,398</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>616,834</u>	<u>310,012</u>
Total comprehensive income attributable to: Owners of the parent		<u>616,834</u>	<u>310,012</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
FIXED ASSETS					
Intangible assets	10		117,800		149,024
Tangible assets	11		1,033,467		1,227,813
Investments	12		-		-
Investment property	13		647,356		387,999
			<u>1,798,623</u>		<u>1,764,836</u>
CURRENT ASSETS					
Stocks	14	3,088,337		2,187,881	
Debtors	15	1,793,309		2,144,938	
Cash at bank and in hand		95,077		41,586	
		<u>4,976,723</u>		<u>4,374,405</u>	
CREDITORS					
Amounts falling due within one year	16	<u>2,427,941</u>		<u>2,183,980</u>	
NET CURRENT ASSETS			<u>2,548,782</u>		<u>2,190,425</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,347,405		3,955,261
CREDITORS					
Amounts falling due after more than one year	17		(926,635)		(1,043,453)
PROVISIONS FOR LIABILITIES	21		<u>(222,846)</u>		<u>(171,642)</u>
NET ASSETS			<u>3,197,924</u>		<u>2,740,166</u>
CAPITAL AND RESERVES					
Called up share capital	22		5,340		5,340
Share premium	23		100,000		100,000
Capital redemption reserve	23		4,660		4,660
Retained earnings	23		3,087,924		2,630,166
SHAREHOLDERS' FUNDS			<u>3,197,924</u>		<u>2,740,166</u>

The notes form part of these financial statements

REGALEAD LIMITED (REGISTERED NUMBER: 04211244)

CONSOLIDATED BALANCE SHEET - continued
31 DECEMBER 2021

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2022 and were signed on its behalf by:

D S Baker - Director

C A Regan - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
FIXED ASSETS					
Intangible assets	10		117,800		149,024
Tangible assets	11		1,033,468		1,227,814
Investments	12		6,279		6,279
Investment property	13		647,356		387,999
			<u>1,804,903</u>		<u>1,771,116</u>
CURRENT ASSETS					
Stocks	14	3,088,337		2,069,908	
Debtors	15	1,793,309		2,213,418	
Cash at bank and in hand		68,148		12,129	
		<u>4,949,794</u>		<u>4,295,455</u>	
CREDITORS					
Amounts falling due within one year	16	<u>2,431,718</u>		<u>2,165,932</u>	
NET CURRENT ASSETS			<u>2,518,076</u>		<u>2,129,523</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,322,979		3,900,639
CREDITORS					
Amounts falling due after more than one year	17		(926,635)		(1,043,453)
PROVISIONS FOR LIABILITIES	21		<u>(222,846)</u>		<u>(171,642)</u>
NET ASSETS			<u>3,173,498</u>		<u>2,685,544</u>
CAPITAL AND RESERVES					
Called up share capital	22		5,340		5,340
Share premium	23		100,000		100,000
Capital redemption reserve	23		4,660		4,660
Retained earnings	23		3,063,498		2,575,544
SHAREHOLDERS' FUNDS			<u>3,173,498</u>		<u>2,685,544</u>
Company's profit for the financial year			<u>647,030</u>		<u>300,697</u>

The notes form part of these financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2022 and were signed on its behalf by:

C A Regan - Director

D S Baker - Director

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

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 31 December 2019	5,340	2,443,469	100,000	4,660	2,553,469
Changes in equity					
Dividends	-	(123,315)	-	-	(123,315)
Total comprehensive income	-	310,012	-	-	310,012
Balance at 31 December 2020	5,340	2,630,166	100,000	4,660	2,740,166
Changes in equity					
Dividends	-	(159,076)	-	-	(159,076)
Total comprehensive income	-	616,834	-	-	616,834
Balance at 31 December 2021	5,340	3,087,924	100,000	4,660	3,197,924

The notes form part of these financial statements

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

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 31 December 2019	5,340	2,398,162	100,000	4,660	2,508,162
Changes in equity					
Dividends	-	(123,315)	-	-	(123,315)
Total comprehensive income	-	300,697	-	-	300,697
Balance at 31 December 2020	5,340	2,575,544	100,000	4,660	2,685,544
Changes in equity					
Dividends	-	(159,076)	-	-	(159,076)
Total comprehensive income	-	647,030	-	-	647,030
Balance at 31 December 2021	5,340	3,063,498	100,000	4,660	3,173,498

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

		Year ended 31.12.21 £	Period 31.12.19 to 31.12.20 £
Cash flows from operating activities	Notes		
Cash generated from operations	26	559,039	(271,679)
Interest paid		(45,770)	(56,703)
Interest element of hire purchase payments paid		(3,247)	(1,022)
Tax paid		(71,718)	54,969
Net cash from operating activities		<u>438,304</u>	<u>(274,435)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(18,738)	(4,999)
Purchase of tangible fixed assets		(98,877)	(40,445)
Sale of tangible fixed assets		33,750	-
Net cash from investing activities		<u>(83,865)</u>	<u>(45,444)</u>
Cash flows from financing activities			
New loans in year		-	400,000
Loan repayments in year		(88,445)	(11,050)
HP repayments in year		(53,427)	(60,507)
Equity dividends paid		(159,076)	(123,315)
Net cash from financing activities		<u>(300,948)</u>	<u>205,128</u>
Increase/(decrease) in cash and cash equivalents		<u>53,491</u>	<u>(114,751)</u>
Cash and cash equivalents at beginning of year	27	41,586	156,337
Cash and cash equivalents at end of year	27	<u>95,077</u>	<u>41,586</u>

The notes form part of these financial statements

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

1. COMPANY INFORMATION

Regalead Limited ("the Company") is a limited company incorporated in the United Kingdom. The address of its registered office and principal place of business is Columbus House, Altrincham Road, Sharston, Manchester, M22 9AF.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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 applicable legislation as set out in the Companies Act 2006 and Schedule 1 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. These financial statements have been prepared under the historical costs convention.

The financial statements are presented in Sterling (£).

Going concern

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The directors have reached this conclusion giving due consideration to the projected future performance of the group, any potential risk that might impact the group's ability to meet its required solvency levels, and the position with regard to bank borrowing. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The consolidated income statement and balance sheet include the financial statements of the company and its subsidiary undertakings. The results of subsidiaries acquired or sold during the period are included in the consolidated income statement from, or up to, the date control passes. Intra-group transactions are eliminated fully on consolidation.

On acquisition of a subsidiary, the subsidiary's assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date. All changes to those assets and liabilities, and the resulting gains and losses that arise after the group has gained control of the subsidiary are charged to the post acquisition income statement.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the parent company's balance sheet.

Significant judgements and 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 if revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following judgements have had the most significant effect on amounts recognised in the financial statements; Depreciation - The useful life of fixed assets can vary significantly. Estimates are based on historic experience and current expectations of useful life. The size of prior year gains and losses on disposal are also factored in to estimates.

Stock provision - The net realisable value of stock is assessed by the directors regularly. A provision is made where this falls below the cost. The provision is based on an ageing formula that has been reviewed and updated based on historic outcomes and current marketability of products.

Bad debts - The directors regularly review debts and provide for those which are doubtful.

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

2. ACCOUNTING POLICIES - continued

Turnover

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

Goodwill

Goodwill, being the amount paid in connection with the acquisition of part of the trade and assets of French plc in 2001, is now fully amortised.

Goodwill, being the amount paid in connection with the acquisition of part of a business in 2018, is now fully amortised.

Computer software

Computer software is being amortised over its useful life of five years.

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.

Long leasehold	- 2% on cost
Plant and machinery	- 10% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

Government grants

Grant income receivable under the Coronavirus Job Retention Scheme ("CJRS") is recognised in the Income Statement on a straight line basis over the furlough period for each relevant employee.

Investment property

Investment property is shown at the most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the income statement.

Stocks

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

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

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

2. ACCOUNTING POLICIES - continued

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.

Foreign currencies

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

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 the income statement over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

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

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

2. ACCOUNTING POLICIES - continued

Financial assets

Basic financial assets, including trade debtors, cash and bank balances and amounts owed by group undertakings, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 the income statement.

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 the income statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial Liabilities

Basic financial liabilities, including trade creditors and amounts owed to group undertakings, 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 receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors 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.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

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

2. ACCOUNTING POLICIES - continued

Derivative financial instruments

Where facilities are available, the group uses derivative instruments to reduce exposure to foreign exchange risk. The group does not hold or issue derivative financial instruments for speculative purposes.

Derivative financial instruments are initially recognised at cost when contracts are entered in to. At the end of each reporting period they are measured at fair value, with changes in fair value transferred to the income statement.

Invoice discounting advances

The group uses an invoice discounting facility and has adopted separate presentation whereby gross debts are included as an asset and the amount due to the factoring company is included within creditors. The interest and charges are recognised as they accrue and are included in the income statement.

Trade debtors

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost less allowances for situations where recovery is doubtful. Such allowances are based on an individual assessment of each receivable.

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	Year ended 31.12.21 £	Period 31.12.19 to 31.12.20 £
United Kingdom	11,726,377	9,696,106
Europe	684,668	948,865
Rest of World	577,017	415,598
	<u>12,988,062</u>	<u>11,060,569</u>

4. EMPLOYEES AND DIRECTORS

	Year ended 31.12.21 £	Period 31.12.19 to 31.12.20 £
Wages and salaries	2,413,307	2,264,705
Social security costs	205,601	185,984
Other pension costs	63,448	59,776
	<u>2,682,356</u>	<u>2,510,465</u>

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

4. EMPLOYEES AND DIRECTORS - continued

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

	Year ended 31.12.21	Period 31.12.19 to 31.12.20
Production and warehouse	75	66
Administration	7	12
Sales	<u>16</u>	<u>15</u>
	<u>98</u>	<u>93</u>

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

	Year ended 31.12.21 £	Period 31.12.19 to 31.12.20 £
Directors' remuneration	264,690	216,491
Directors' pension contributions to money purchase schemes	<u>12,019</u>	<u>16,396</u>

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

Money purchase schemes	<u>2</u>	<u>3</u>
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Information regarding the highest paid director is as follows:

	Year ended 31.12.21 £	Period 31.12.19 to 31.12.20 £
Emoluments etc	130,885	75,825
Pension contributions to money purchase schemes	<u>-</u>	<u>4,379</u>

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

5. OPERATING PROFIT

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

	Year ended 31.12.21 £	Period 31.12.19 to 31.12.20 £
Depreciation - owned assets	118,191	143,176
Depreciation - assets on hire purchase contracts	37,257	29,861
Profit on disposal of fixed assets	(33,750)	-
Computer software amortisation	49,962	49,463
Auditors' remuneration - audit services	22,540	24,135
Auditors' remuneration - other services	12,865	1,000
Operating leases - land and buildings	243,747	227,178
Operating leases - other	45,758	55,766
Foreign exchange (gains)/losses	22,126	16,255
Government grants	<u>(78,171)</u>	<u>(440,372)</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 31.12.21 £	Period 31.12.19 to 31.12.20 £
Bank loan interest	30,133	32,512
Invoice discounting interest	15,637	24,191
Hire purchase	3,247	1,022
	<u>49,017</u>	<u>57,725</u>

7. TAXATION

Analysis of the tax charge

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

	Year ended 31.12.21 £	Period 31.12.19 to 31.12.20 £
Current tax:		
UK corporation tax	142,936	72,001
Under/(over) provision for corporation tax in prior year	(3,199)	-
Total current tax	<u>139,737</u>	<u>72,001</u>
Deferred tax	<u>7,204</u>	<u>(22,304)</u>
Tax on profit	<u>146,941</u>	<u>49,697</u>

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

7. TAXATION - continued

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:

	Year ended 31.12.21 £	Period 31.12.19 to 31.12.20 £
Profit before tax	<u>767,108</u>	<u>354,311</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2020 - 19 %)	145,751	67,319
Effects of:		
Expenses not deductible for tax purposes	8,973	4,608
Capital allowances in excess of depreciation	(4,584)	-
Adjustments to tax charge in respect of previous periods	(3,199)	-
Research and development enhancements	-	(22,230)
Total tax charge	<u>146,941</u>	<u>49,697</u>

Tax effects relating to effects of other comprehensive income

	Gross £	2021 Tax £	Net £
Exchange differences on consolidation	<u>(3,333)</u>	-	<u>(3,333)</u>
		31.12.19 to 31.12.20	
	Gross £	Tax £	Net £
Exchange differences on consolidation	<u>5,398</u>	-	<u>5,398</u>

8. INDIVIDUAL INCOME STATEMENT

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

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

9. DIVIDENDS

	Year ended 31.12.21 £	Period 31.12.19 to 31.12.20 £
Ordinary A shares of £1 each Interim	74,127	55,665
Ordinary B shares of £1 each Interim	<u>84,949</u>	<u>67,650</u>
	<u>159,076</u>	<u>123,315</u>

10. INTANGIBLE ASSETS

Group

	Goodwill £	Computer software £	Totals £
COST			
At 1 January 2021	888,397	249,813	1,138,210
Additions	-	18,738	18,738
At 31 December 2021	<u>888,397</u>	<u>268,551</u>	<u>1,156,948</u>
AMORTISATION			
At 1 January 2021	888,397	100,789	989,186
Amortisation for year	-	49,962	49,962
At 31 December 2021	<u>888,397</u>	<u>150,751</u>	<u>1,039,148</u>
NET BOOK VALUE			
At 31 December 2021	<u>-</u>	<u>117,800</u>	<u>117,800</u>
At 31 December 2020	<u>-</u>	<u>149,024</u>	<u>149,024</u>

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

10. INTANGIBLE ASSETS - continued

Company

	Goodwill £	Computer software £	Totals £
COST			
At 1 January 2021	863,165	249,813	1,112,978
Additions	-	18,738	18,738
At 31 December 2021	<u>863,165</u>	<u>268,551</u>	<u>1,131,716</u>
AMORTISATION			
At 1 January 2021	863,165	100,789	963,954
Amortisation for year	-	49,962	49,962
At 31 December 2021	<u>863,165</u>	<u>150,751</u>	<u>1,013,916</u>
NET BOOK VALUE			
At 31 December 2021	<u>-</u>	<u>117,800</u>	<u>117,800</u>
At 31 December 2020	<u>-</u>	<u>149,024</u>	<u>149,024</u>

No amortisation has been charged on computer software additions of £18,738 which remain in a development phase.

11. TANGIBLE FIXED ASSETS

Group

	Long leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 January 2021	908,759	1,489,359	550,433
Additions	-	26,465	35,410
Disposals	-	-	-
Reclassification/transfer	(247,820)	-	-
At 31 December 2021	<u>660,939</u>	<u>1,515,824</u>	<u>585,843</u>
DEPRECIATION			
At 1 January 2021	86,412	1,190,797	517,973
Charge for year	20,372	70,469	23,587
Eliminated on disposal	-	-	-
Reclassification/transfer	(39,341)	-	-
At 31 December 2021	<u>67,443</u>	<u>1,261,266</u>	<u>541,560</u>
NET BOOK VALUE			
At 31 December 2021	<u>593,496</u>	<u>254,558</u>	<u>44,283</u>
At 31 December 2020	<u>822,347</u>	<u>298,562</u>	<u>32,460</u>

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

11. TANGIBLE FIXED ASSETS - continued

Group

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2021	139,899	496,711	3,585,161
Additions	90,543	17,163	169,581
Disposals	(58,774)	-	(58,774)
Reclassification/transfer	-	-	(247,820)
At 31 December 2021	<u>171,668</u>	<u>513,874</u>	<u>3,448,148</u>
DEPRECIATION			
At 1 January 2021	68,580	493,586	2,357,348
Charge for year	36,224	4,796	155,448
Eliminated on disposal	(58,774)	-	(58,774)
Reclassification/transfer	-	-	(39,341)
At 31 December 2021	<u>46,030</u>	<u>498,382</u>	<u>2,414,681</u>
NET BOOK VALUE			
At 31 December 2021	<u>125,638</u>	<u>15,492</u>	<u>1,033,467</u>
At 31 December 2020	<u>71,319</u>	<u>3,125</u>	<u>1,227,813</u>

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

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2021	119,444	-	119,444
Additions	70,544	11,735	82,279
Disposals	(58,774)	-	(58,774)
At 31 December 2021	<u>131,214</u>	<u>11,735</u>	<u>142,949</u>
DEPRECIATION			
At 1 January 2021	63,040	-	63,040
Charge for year	34,975	2,282	37,257
Eliminated on disposal	(58,774)	-	(58,774)
At 31 December 2021	<u>39,241</u>	<u>2,282</u>	<u>41,523</u>
NET BOOK VALUE			
At 31 December 2021	<u>91,973</u>	<u>9,453</u>	<u>101,426</u>
At 31 December 2020	<u>56,404</u>	<u>-</u>	<u>56,404</u>

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

11. TANGIBLE FIXED ASSETS - continued

Company

	Long leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 January 2021	908,759	1,482,475	542,633
Additions	-	26,465	35,410
Disposals	-	-	-
Reclassification/transfer	(247,820)	-	-
At 31 December 2021	<u>660,939</u>	<u>1,508,940</u>	<u>578,043</u>
DEPRECIATION			
At 1 January 2021	86,412	1,183,912	510,173
Charge for year	20,372	70,469	23,587
Eliminated on disposal	-	-	-
Reclassification/transfer	(39,341)	-	-
At 31 December 2021	<u>67,443</u>	<u>1,254,381</u>	<u>533,760</u>
NET BOOK VALUE			
At 31 December 2021	<u>593,496</u>	<u>254,559</u>	<u>44,283</u>
At 31 December 2020	<u>822,347</u>	<u>298,563</u>	<u>32,460</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2021	139,899	496,711	3,570,477
Additions	90,543	17,163	169,581
Disposals	(58,774)	-	(58,774)
Reclassification/transfer	-	-	(247,820)
At 31 December 2021	<u>171,668</u>	<u>513,874</u>	<u>3,433,464</u>
DEPRECIATION			
At 1 January 2021	68,580	493,586	2,342,663
Charge for year	36,224	4,796	155,448
Eliminated on disposal	(58,774)	-	(58,774)
Reclassification/transfer	-	-	(39,341)
At 31 December 2021	<u>46,030</u>	<u>498,382</u>	<u>2,399,996</u>
NET BOOK VALUE			
At 31 December 2021	<u>125,638</u>	<u>15,492</u>	<u>1,033,468</u>
At 31 December 2020	<u>71,319</u>	<u>3,125</u>	<u>1,227,814</u>

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

11. TANGIBLE FIXED ASSETS - continued

Company

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

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2021	119,444	-	119,444
Additions	70,544	11,735	82,279
Disposals	(58,774)	-	(58,774)
At 31 December 2021	<u>131,214</u>	<u>11,735</u>	<u>142,949</u>
DEPRECIATION			
At 1 January 2021	63,040	-	63,040
Charge for year	34,975	2,282	37,257
Eliminated on disposal	(58,774)	-	(58,774)
At 31 December 2021	<u>39,241</u>	<u>2,282</u>	<u>41,523</u>
NET BOOK VALUE			
At 31 December 2021	<u>91,973</u>	<u>9,453</u>	<u>101,426</u>
At 31 December 2020	<u>56,404</u>	<u>-</u>	<u>56,404</u>

12. FIXED ASSET INVESTMENTS

Company

	Unlisted investments £
COST	
At 1 January 2021 and 31 December 2021	<u>20,161</u>
PROVISIONS	
At 1 January 2021 and 31 December 2021	<u>13,882</u>
NET BOOK VALUE	
At 31 December 2021	<u>6,279</u>
At 31 December 2020	<u>6,279</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 202112. **FIXED ASSET INVESTMENTS - continued**

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

Subsidiaries**Stained Glass Overlay UK Limited**

Registered office: Columbus House, Altrincham Road, Sharston, Manchester, M22 9AF.

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Instalead Limited

Registered office: Columbus House, Altrincham Road, Sharston, Manchester, M22 9AF.

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Door Glass Limited

Registered office: Columbus House, Altrincham Road, Sharston, Manchester, M22 9AF.

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Regalead (Canada) Limited

Registered office: 285 Vaughan Valley Blvd, Woodbridge, Ontario, Canada, L4H-3B5

Nature of business: Sale of decorative and creative glass

Class of shares:	%
Ordinary	holding 100.00

13. **INVESTMENT PROPERTY****Group**

	Total £
FAIR VALUE	
At 1 January 2021	387,999
Revaluations	50,878
Reclassification/transfer	208,479
At 31 December 2021	<u>647,356</u>
NET BOOK VALUE	
At 31 December 2021	<u>647,356</u>
At 31 December 2020	<u>387,999</u>

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

13. INVESTMENT PROPERTY - continued

Group

Fair value at 31 December 2021 is represented by:

Valuation in 2021	£ <u>647,356</u>
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Company**FAIR VALUE**

At 1 January 2021	387,999
Revaluations	50,878
Reclassification/transfer	<u>208,479</u>
At 31 December 2021	<u>647,356</u>

NET BOOK VALUE

At 31 December 2021	<u>647,356</u>
At 31 December 2020	<u>387,999</u>

Fair value at 31 December 2021 is represented by:

Valuation in 2021	£ <u>647,356</u>
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If investment property had not been revalued it would have been included at the following historical cost:

	2021	2020
	£	£
Cost	<u>596,479</u>	<u>387,999</u>

Investment property was valued on an open market basis on 31 December 2021 by the directors .

14. STOCKS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Raw materials	826,193	549,457	826,193	549,457
Finished goods	<u>2,262,144</u>	<u>1,638,424</u>	<u>2,262,144</u>	<u>1,520,451</u>
	<u>3,088,337</u>	<u>2,187,881</u>	<u>3,088,337</u>	<u>2,069,908</u>

Stock is stated after provisions for impairment of £497,391 (2020: £298,264), the charge to the income statement in the period was £199,127 (2020: £nil).

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

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	1,494,036	1,685,642	1,494,036	1,672,624
Amounts owed by group undertakings	-	-	-	93,951
Other debtors	145,283	268,093	145,283	255,640
Prepayments	153,990	191,203	153,990	191,203
	<u>1,793,309</u>	<u>2,144,938</u>	<u>1,793,309</u>	<u>2,213,418</u>

Trade debtors are stated after provisions for impairment of £140,848 (2020: £114,212), the charge to the income statement in the period was £27,387 (2020: £65,340).

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts (see note 18)	128,937	88,937	128,937	88,937
Invoice discounting advances (see note 18)	660,119	679,096	660,119	679,096
Hire purchase contracts (see note 19)	33,150	27,500	33,150	27,500
Trade creditors	748,154	771,622	748,153	748,950
Amounts owed to group undertakings	-	-	13,183	-
Corporation tax	140,020	72,001	140,020	72,001
Social security and other taxes	361,699	244,956	356,276	244,113
Other creditors	75,235	130,116	65,134	129,464
Amounts due to subsidiary undertaking	-	-	6,119	6,119
Accrued expenses	280,627	169,752	280,627	169,752
	<u>2,427,941</u>	<u>2,183,980</u>	<u>2,431,718</u>	<u>2,165,932</u>

Other creditors includes £7,867 (2020: £24,283) of unpaid pension contributions.

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans (see note 18)	890,008	1,018,453	890,008	1,018,453
Hire purchase contracts (see note 19)	36,627	25,000	36,627	25,000
	<u>926,635</u>	<u>1,043,453</u>	<u>926,635</u>	<u>1,043,453</u>

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

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Amounts falling due within one year or on demand:				
Bank loans	128,937	88,937	128,937	88,937
Invoice discounting advances	660,119	679,096	660,119	679,096
	<u>789,056</u>	<u>768,033</u>	<u>789,056</u>	<u>768,033</u>
Amounts falling due between one and two years:				
Bank loans	128,937	128,937	128,937	128,937
Amounts falling due between two and five years:				
Bank loans	346,810	386,810	346,810	386,810
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	414,261	502,706	414,261	502,706

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2021 £	2020 £
Net obligations repayable:		
Within one year	33,150	27,500
Between one and five years	36,627	25,000
	<u>69,777</u>	<u>52,500</u>

Company

	Hire purchase contracts	
	2021 £	2020 £
Net obligations repayable:		
Within one year	33,150	27,500
Between one and five years	36,627	25,000
	<u>69,777</u>	<u>52,500</u>

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

19. LEASING AGREEMENTS - continued

Company

	Non-cancellable	operating leases
	2021	2020
	£	£
Within one year	141,762	170,551
Between one and five years	<u>69,991</u>	<u>190,788</u>
	<u>211,753</u>	<u>361,339</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	1,018,945	1,107,390	1,018,945	1,107,390
Hire purchase contracts	69,777	52,500	69,777	52,500
Invoice discounting advances	<u>660,119</u>	<u>679,096</u>	<u>660,119</u>	<u>679,096</u>
	<u>1,748,841</u>	<u>1,838,986</u>	<u>1,748,841</u>	<u>1,838,986</u>

The bank loans are secured on all assets of the company, £1,018,945 (2020: £1,107,390) is repayable in instalments. Interest is charged at 3.25% above Base Rate on loans outstanding of £518,750 (2020: £556,250), 4.5% above Base Rate on loans outstanding of £360,000 (2020: £400,000) and at 2.43% above Base Rate on loans outstanding of £140,195 (2020: £151,140).

Hire purchase liabilities are secured on the underlying assets.

Invoice discounting advances are secured on the trade debtors ledger.

21. PROVISIONS FOR LIABILITIES

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Deferred tax	<u>84,166</u>	<u>76,962</u>	<u>84,166</u>	<u>76,962</u>
Other provisions	<u>138,680</u>	<u>94,680</u>	<u>138,680</u>	<u>94,680</u>
Aggregate amounts	<u>222,846</u>	<u>171,642</u>	<u>222,846</u>	<u>171,642</u>

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

21. PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £	Other provisions £
Balance at 1 January 2021	76,962	94,680
Charge to Income Statement during year	<u>7,204</u>	<u>44,000</u>
Balance at 31 December 2021	<u>84,166</u>	<u>138,680</u>

Company

	Deferred tax £	Other provisions £
Balance at 1 January 2021	76,962	94,680
Charge to Income Statement during year	<u>7,204</u>	<u>44,000</u>
Balance at 31 December 2021	<u>84,166</u>	<u>138,680</u>

The provision for deferred taxation is made up as follows

	2021 £	2020 £
Accelerated capital allowances	75,994	81,576
Revaluation of investment property	9,667	-
Other timing differences	<u>(1,495)</u>	<u>(4,614)</u>
	<u>84,166</u>	<u>76,962</u>

Other provisions relate to a provision for dilapidations, on the expiry of the lease on the primary building from which the company operates, and an estimate of future warranty claim costs.

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
1,780	Ordinary A	£1	1,780	1,780
1,780	Ordinary B	£1	1,780	1,780
1,780	Ordinary C	£1	<u>1,780</u>	<u>1,780</u>
			<u>5,340</u>	<u>5,340</u>

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

23. RESERVES

Group

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 January 2021	2,630,166	100,000	4,660	2,734,826
Profit for the year	620,167			620,167
Dividends	(159,076)			(159,076)
Foreign exchange gains/ (losses)	(3,333)	-	-	(3,333)
At 31 December 2021	<u>3,087,924</u>	<u>100,000</u>	<u>4,660</u>	<u>3,192,584</u>

Company

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 January 2021	2,575,544	100,000	4,660	2,680,204
Profit for the year	647,030			647,030
Dividends	(159,076)			(159,076)
At 31 December 2021	<u>3,063,498</u>	<u>100,000</u>	<u>4,660</u>	<u>3,168,158</u>

24. RELATED PARTY DISCLOSURES

Dividends

The following dividends were received by directors and connected parties:

	2021 £	2020 £
G R Hubble	74,127	55,665
RDB Investments Limited	<u>84,949</u>	<u>67,650</u>

25. ULTIMATE CONTROLLING PARTY

There is no overall ultimate controlling party.

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

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

	Year ended 31.12.21 £	Period 31.12.19 to 31.12.20 £
Profit before taxation	767,108	354,311
Depreciation charges	205,091	222,530
Profit on disposal of fixed assets	(33,750)	-
Gain on revaluation of fixed assets	(50,877)	-
Increase/(decrease) in provisions	44,000	24,000
Finance costs	49,017	57,725
	<u>980,589</u>	<u>658,566</u>
(Increase)/decrease in stocks	(900,456)	165,884
Decrease in trade and other debtors	351,629	165,955
Increase/(decrease) in trade and other creditors	127,277	(1,262,084)
Cash generated from operations	<u><u>559,039</u></u>	<u><u>(271,679)</u></u>

27. CASH AND CASH EQUIVALENTS

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

Year ended 31 December 2021

	31.12.21 £	1.1.21 £
Cash and cash equivalents	<u>95,077</u>	<u>41,586</u>
Period ended 31 December 2020	31.12.20	31.12.19
	£	£
Cash and cash equivalents	<u>41,586</u>	<u>156,337</u>

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

28. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.21 £	Cash flow £	Other non-cash changes £	At 31.12.21 £
Net cash				
Cash at bank and in hand	<u>41,586</u>	<u>53,491</u>		<u>95,077</u>
	<u>41,586</u>	<u>53,491</u>		<u>95,077</u>
Debt				
Finance leases	(52,500)	53,427	-	(69,777)
Debts falling due within 1 year	(768,033)	(21,023)	-	(789,056)
Debts falling due after 1 year	(1,018,453)	128,445	-	(890,008)
	<u>(1,838,986)</u>	<u>160,849</u>	-	<u>(1,748,841)</u>
Total	<u>(1,797,400)</u>	<u>214,340</u>	-	<u>(1,653,764)</u>

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.