

Gulmay Limited

Annual Report and Financial Statements

For the year ended 31 March 2022

Company Registration No. 01264416 (England and Wales)

Gulmay Limited

Company Information

Directors	M. Jewell I. Wilson
Secretary	J K Duncan
Company number	01264416
Registered office	Cyan House 1 Canada Road Byfleet Surrey KT14 7JL
Auditor	THP Limited Chartered Accountants and Statutory Auditors 34 - 40 High Street Wanstead London E11 2RJ
Bankers	National Westminster Bank plc 25 King Street Twickenham Middlesex TW1 3SU

Gulmay Limited

Contents

	Page
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of cash flows	12
Notes to the financial statements	13 - 29

Gulmay Limited

Strategic Report

For the year ended 31 March 2022

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

Fair review of the business

The directors consider the performance in the year to be very good, with revenue increasing significantly by 23.2% to £11,179,783.

Principal risks and uncertainties

The company aims to minimise all reasonable business risks through the control mechanisms operated within the company.

The company and its employees work hard to comply with the required standards imposed by Governments, Regulatory Authorities and relevant international and local codes. They are committed to minimising such business risks through internal controls and staff training and make use of training external to the company where necessary.

The directors consider the company's main commercial and financial risks to be:

- Exchange rate fluctuations

The company maintains bank accounts in foreign currencies to minimise exposure to exchange rate risks.

- Global slow down in demand

The company mitigates the risk by supplying a variety of markets whereby often if one sector is slowing, another is growing.

- Cost inflation

The company is continuing to experience increases in the cost of purchased materials. Over the course of the last twelve months these have resulted in manufactured products increasing by an average of 15%. These costs have been partially mitigated by several measures including:

- Design for manufacture (DFM) reviews.
- Optimal purchase quantity reviews.
- Introduction of a sales price increase of 5% on average.

The costs of occupying and operating our buildings have also increased with a rent increase in September 2021 of 42% for the Byfleet premises. However, our utility costs for gas and electricity are fixed until 2025.

-Supply chain

The company has suffered supply chain shortages, particularly with regards to electronic components, as a result of the pandemic and regular lockdowns within the supply base, and also as a result of the Ukraine crisis. These have been mitigated by increasing inventory levels and purchase commitments to address the effects of extended supplier leadtimes.

The supply chain issues have also been responsible for some of the cost inflation issues referred to above, with adverse effects being observed in the availability, and consequently the cost, of steel, copper and other metals as a result of sanctions on Russian sourced materials.

Impact of the Coronavirus pandemic

During the financial year the pandemic continued to represent a risk. Although the company and wider group has experienced some disruption to production and demand, the nature of the group's products and global customer base has resulted in continued significant demand for the group's products. The directors believe that this demand and the strong balance sheet ensures the company is well placed to continue trading successfully.

Gulmay Limited

Strategic Report (Continued)

For the year ended 31 March 2022

Future developments

The directors are optimistic of continued growth in the various global group subsidiaries, based in USA, China and Germany, which will continue to drive further growth for Gulmay Limited.

Key performance indicators

The directors consider that the key financial performance indicators are turnover and gross profit margin. The turnover for the year ended 31 March 2022 increased by 23.2% to £11,179,783 (2021: 9,078,451), and there was an increase in the gross profit margin to 36.9% (2021: 30.8%).

Research and development

The company continues to invest significantly in research and development, relating to the continuing manufacture and development of our product ranges.

On behalf of the board

I. Wilson

Director

28 September 2022

Gulmay Limited

Directors' Report

For the year ended 31 March 2022

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

Principal activities

The principal activities of the company throughout the year were those of designers and manufacturers of high power electronic engineering, particularly in the field of X-ray electronics.

Directors

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

M. Jewell

I. Wilson

Results and dividends

The results for the year are set out in the Statement of Comprehensive Income.

A dividend of £500,000 (2021: £nil) was declared during the year.

Auditor

The auditor, THP Accountants, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

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

Inclusion in the strategic report

The company has chosen in accordance with the Companies Act 2006, s. 414C(11) to set out in the company's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Director's Report. It has done so in respect of research and development and future developments.

On behalf of the board

I. Wilson

Director

28 September 2022

Gulmay Limited

Directors' Responsibilities Statement

For the year ended 31 March 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Gulmay Limited

Independent Auditor's Report

To the Members of Gulmay Limited

Opinion

We have audited the financial statements of Gulmay Ltd (the 'company') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Gulmay Limited

Independent Auditor's Report (Continued)

To the Members of Gulmay 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 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 and the Directors' Report.

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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Gulmay Limited

Independent Auditor's Report (Continued)

To the Members of Gulmay Limited

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector in which the company operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental, trading standards and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and any other relevant regulators as required.

Gulmay Limited

Independent Auditor's Report (Continued)

To the Members of Gulmay Limited

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

Use of our report

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

Andrew Green LLB FCA (Senior Statutory Auditor)

for and on behalf of THP Limited Chartered Accountants and Statutory 28 September 2022

Auditors

34 - 40 High Street
Wanstead
London
E11 2RJ

Gulmay Limited

Statement of Comprehensive Income

For the year ended 31 March 2022

		2022	2021
	Notes	£	£
Turnover	3	11,179,783	9,078,451
Cost of sales		(7,055,582)	(6,278,352)
Gross profit		<u>4,124,201</u>	<u>2,800,099</u>
Administrative expenses		(3,955,406)	(3,100,957)
Other operating income		60,000	209,171
Operating profit/(loss)	4	<u>228,795</u>	<u>(91,687)</u>
Interest receivable and similar income	7	52	401
Interest payable and similar expenses	6	(607)	-
Amounts written off investments	8	-	(15,750)
Profit/(loss) before taxation		<u>228,240</u>	<u>(107,036)</u>
Taxation	9	137,543	175,000
Profit for the financial year		<u><u>365,783</u></u>	<u><u>67,964</u></u>

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the Profit and Loss Account.

Gulmay Limited

Balance Sheet

As at 31 March 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12	1,128,740		1,146,889	
Investments	11	30,000		30,000	
		<u>1,158,740</u>		<u>1,176,889</u>	
Current assets					
Stock	14	1,323,953		1,020,984	
Debtors	16	4,625,859		4,290,512	
Cash at bank and in hand		883,624		1,738,399	
		<u>6,833,436</u>		<u>7,049,895</u>	
Creditors: amounts falling due within one year	17	<u>(1,777,657)</u>		<u>(1,977,259)</u>	
Net current assets		<u>5,055,779</u>		<u>5,072,636</u>	
Total assets less current liabilities		<u>6,214,519</u>		<u>6,249,525</u>	
Creditors: amounts falling due after more than one year	18	(22,101)		(7,782)	
Provisions for liabilities	20	<u>(388,504)</u>		<u>(303,612)</u>	
Net assets		<u><u>5,803,914</u></u>		<u><u>5,938,131</u></u>	
Capital and reserves					
Called up share capital	25	10,000		10,000	
Profit and loss reserves		<u>5,793,914</u>		<u>5,928,131</u>	
Total equity		<u><u>5,803,914</u></u>		<u><u>5,938,131</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 28 September 2022 and are signed on its behalf by:

M. Jewell
Director

I. Wilson
Director

Company Registration No. 01264416

Gulmay Limited

Statement of Changes in Equity

For the year ended 31 March 2022

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
Balance at 1 April 2020	10,000	5,860,167	5,870,167
Year ended 31 March 2021:			
Profit and total comprehensive income for the year	-	67,964	67,964
Balance at 31 March 2021	10,000	5,928,131	5,938,131
Year ended 31 March 2022:			
Profit and total comprehensive income for the year	-	365,783	365,783
Dividends	23	(500,000)	(500,000)
Balance at 31 March 2022	10,000	5,793,914	5,803,914

Gulmay Limited

Statement of Cash Flows

For the year ended 31 March 2022

		2022		2021	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	30		(304,235)		35,598
Interest paid			(607)		-
Income taxes refunded			131,087		22,855
			<u> </u>		<u> </u>
Net cash (outflow)/inflow from operating activities			(173,755)		58,453
Investing activities					
Purchase of tangible fixed assets		(209,993)		(460,152)	
Proceeds on disposal of tangible fixed assets		11,042		12,000	
Interest received		52		401	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(198,899)		(447,751)
Financing activities					
Payment of finance leases obligations		17,879		12,451	
Dividends paid		(500,000)		-	
		<u> </u>		<u> </u>	
Net cash (used in)/generated from financing activities			(482,121)		12,451
			<u> </u>		<u> </u>
Net decrease in cash and cash equivalents			(854,775)		(376,847)
Cash and cash equivalents at beginning of year			1,738,399		2,115,246
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u> 883,624</u>		<u> 1,738,399</u>

Gulmay Limited

Notes to the Financial Statements

For the year ended 31 March 2022

1 Accounting policies

Company information

Gulmay Limited is a private company limited by shares, domiciled and incorporated in England and Wales. The registered office is Cyan House, 1 Canada Road, Byfleet, Surrey, KT14 7JL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006. Accounting standards have been applied consistently, unless otherwise stated.

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

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

1.2 Going concern

At the balance sheet date, the company made a profit after tax for the year of £365,783 (2021: £67,964), and had net assets at that date of £5,803,914 (2021: £5,938,131). The directors have considered the impact of coronavirus and the measures taken both in the UK and overseas. Due to the strong balance sheet, cash position and continuing demand for the group's products, the directors believe the group and company is well placed despite the global uncertainty.

As a result the directors believe that the company will be able to continue in business and meet its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements. Therefore, the financial statements have been prepared on a going concern basis.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

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

Revenue is recognised for service repairs in line with their completion and subsequent dispatch to the customer.

1.4 Tangible fixed assets

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

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

Leasehold property and improvements	straight line over the period of lease
Plant and machinery	15% - 25% reducing balance
Fixtures, fittings & equipment	15% - 25% reducing balance
Motor vehicles	25% reducing balance

Gulmay Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

1 Accounting policies

(Continued)

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

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1.6 Impairment of fixed assets

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

1.7 Stock

Stock is stated at the lower of cost and selling price less costs to complete and sell. Cost is determined on the first-in, first-out (FIFO) method and comprises of direct materials, and where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition.

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

1.8 Cash at bank and in hand

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

1.9 Financial instruments

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

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

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

Gulmay Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

1 Accounting policies

(Continued)

Basic financial assets

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

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Derecognition of financial liabilities

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

Gulmay Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

1 Accounting policies

(Continued)

1.10 Taxation

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

Current tax

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

Deferred tax

In accordance with FRS 102, deferred tax is recognised as a liability or asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date. The deferred tax balance has not been discounted.

1.11 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

1.12 Employee benefits

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

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

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

1.13 Retirement benefits

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

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Gulmay Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

1 Accounting policies

(Continued)

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

1.15 Government grants

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

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

1.16 Foreign exchange

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

1.17 Income from investments

Investment income comprises interest receivable on bank deposits and unlisted investments.

1.18 Research and development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

1.19 Consolidated financial statements

The company is a wholly owned subsidiary of Gulmay Holdings Limited and is included in the consolidated financial statements of Gulmay Holdings Limited, which are publicly available. Gulmay Holdings Limited forms the largest and smallest group into which the entity is consolidated and for which group accounts are prepared. Gulmay Limited is therefore exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

Gulmay Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

Depreciation policy of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of tangible fixed assets and note 1.4 for the useful economic lives for each class of asset.

Stocks

Stocks are valued at the lower of cost and selling price less costs to sell and complete. Selling price less costs to sell and complete reflects, where necessary, provisions for slow moving and obsolete stocks. When determining the group's provisioning policy, management considers factors including historic demand, projected demand and the economic environment in making these judgements.

Recoverability of trade and other debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including current credit rating of the debtor, the ageing profile of debtors and historical experience.

Provisions

Provisions have been made for dilapidations and customer warranty obligations. These provisions are estimates and the actual costs and timing of future cash flows are dependant on future events. The difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

The company has an obligation to return the leasehold property to its original condition at the end of the lease term. The dilapidations provision represents management's best estimate of the future costs likely to be incurred based on business knowledge, industry averages and anticipated rates of inflation.

The warranty provision represents management's best estimate of the company's liability under warranties granted on products sold before the year end, based on past experience and industry averages for defective products.

Gulmay Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

3 Turnover and other revenue

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

	2022	2021
	£	£
Turnover		
Sale of goods	11,179,783	9,078,451
	<u>11,179,783</u>	<u>9,078,451</u>
Other significant revenue		
Interest income	52	401
Grants received	60,000	209,171
	<u>60,052</u>	<u>209,572</u>

Turnover analysed by geographical market

	2022	2021
	£	£
United Kingdom	1,830,876	1,822,054
Europe	4,276,681	3,291,076
North America	3,035,007	2,071,117
Africa	104,784	159,942
Asia	1,873,661	1,670,462
Rest of the World	58,774	63,800
	<u>11,179,783</u>	<u>9,078,451</u>

4 Operating profit/(loss)

	2022	2021
	£	£
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange losses/(gains)	41,682	222,453
Research and development costs	872,978	884,639
Government grants	(60,000)	(209,171)
Fees payable to the company's auditors for the audit of the company's financial statements	25,000	25,000
Depreciation of owned tangible fixed assets	223,430	150,580
Depreciation of tangible fixed assets held under finance leases	480	-
Profit/(loss) on disposal of tangible fixed assets	(6,810)	42,914
Operating lease charges	380,857	251,113
	<u>1,418,577</u>	<u>1,567,919</u>

Gulmay Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was 90 (2021: 68).

	2022 Number	2021 Number
Research and development	16	15
Production and sales	70	50
Administration and management	4	3
Total	<u>90</u>	<u>68</u>

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	3,701,544	2,885,266
Social security costs	403,593	299,190
Pension costs	94,275	78,472
	<u>4,199,412</u>	<u>3,262,928</u>

6 Interest payable and similar expenses

	2022 £	2021 £
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	607	-
	<u>607</u>	<u>-</u>

7 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	52	401
	<u>52</u>	<u>401</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	52	401
	<u>52</u>	<u>401</u>

Gulmay Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

8 Fair value gains and losses

	2022 £	2021 £
Other gains and losses	-	(15,750)

9 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	(172,435)	(175,000)
Deferred tax		
Origination and reversal of timing differences	34,892	-
Total tax credit	(137,543)	(175,000)

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

	2022 £	2021 £
Profit/(loss) before taxation	228,240	(107,036)
<i>Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)</i>	43,366	(20,337)
Tax effect of expenses that are not deductible in determining taxable profit	1,910	3,012
Unutilised tax losses carried forward	48,092	212,977
Permanent capital allowances in excess of depreciation	34,891	15,553
Depreciation on assets not qualifying for tax allowances	15,933	18,536
Research and development tax credit	(281,735)	(404,741)
Taxation credit for the year	(137,543)	(175,000)

Gulmay Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

10 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	317,833	312,585

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

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

	2022 £	2021 £
Remuneration for qualifying services	166,347	187,853

11 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	13	30,000	30,000

12 Tangible fixed assets

	Leasehold property and improvements £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2021	1,016,921	980,704	411,062	51,920	2,460,607
Additions	160,489	19,222	7,265	23,017	209,993
Disposals	-	-	-	(41,630)	(41,630)
At 31 March 2022	1,177,410	999,926	418,327	33,307	2,628,970
Depreciation and impairment					
At 1 April 2021	220,240	684,839	361,109	47,530	1,313,718
Depreciation charged in the year	132,465	76,808	14,118	519	223,910
Eliminated in respect of disposals	-	-	-	(37,398)	(37,398)
At 31 March 2022	352,705	761,647	375,227	10,651	1,500,230
Carrying amount					
At 31 March 2022	824,705	238,279	43,100	22,656	1,128,740
At 31 March 2021	796,681	295,865	49,953	4,390	1,146,889

Gulmay Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

12 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022	2021
	£	£
Motor vehicles	22,537	-

13 Subsidiaries

These financial statements are separate company financial statements for Gulmay Limited.

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

Name of subsidiary undertaking	Country of registration or incorporation	Class of shares held	Holding %
Gulmay Electronic Equipment (Shanghai) Co Ltd	China	Ordinary	100.00
West-Tek Limited	England and Wales	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of subsidiary undertaking	Nature of business	Profit/(Loss)	Capital and Reserves
		£	£
Gulmay Electronic Equipment (Shanghai) Co Ltd	Sales and distribution	308,117	323,032
West-Tek Limited	Manufacturing high voltage components	-	40,390

The results of Gulmay Electronic Equipment (Shanghai) Co., Ltd were originally reported in Chinese Yuan Renminbi.

Registered offices

Gulmay Electronic Equipment (Shanghai) Co. Ltd, Room 101, Building A, North Gate, 55 Chunguang Road, Minhang District, Shanghai 201108, P.R. China

West-Tek Limited, Cyan House, 1 Canada Road, Byleel, Surrey, KT14 7JL

Gulmay Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

14 Stock	2022	2021
	£	£
Raw materials and consumables	1,322,930	980,951
Finished goods and goods for resale	1,023	40,033
	<u>1,323,953</u>	<u>1,020,984</u>

15 Financial instruments	2022	2021
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,766,607	3,691,591
	<u>3,766,607</u>	<u>3,691,591</u>
Carrying amount of financial liabilities		
Measured at amortised cost	1,692,801	1,863,002
	<u>1,692,801</u>	<u>1,863,002</u>

16 Debtors	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	740,408	529,946
Corporation tax recoverable	347,115	305,767
Amounts owed by group undertakings	3,024,362	3,155,795
Other debtors	72,697	55,019
Prepayments and accrued income	441,277	243,985
	<u>4,625,859</u>	<u>4,290,512</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

17 Creditors: amounts falling due within one year		2022	2021
	Notes	£	£
Obligations under finance leases	19	8,229	4,669
Trade creditors		802,425	577,253
Amounts owed to group undertakings		186,926	643,498
Taxation and social security		106,957	122,039
Accruals and deferred income		673,120	629,800
		<u>1,777,657</u>	<u>1,977,259</u>

Gulmay Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

18 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Obligations under finance leases	19	22,101	7,782

19 Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Within one year	8,229	4,669
In two to five years	22,101	7,782
	<u>30,330</u>	<u>12,451</u>

20 Provisions for liabilities

	2022 £	2021 £
Provision for future costs	242,247	192,247

Movements on provisions:

	Provision for future costs £
At 1 April 2021	192,247
Additional provisions in the year	50,000
At 31 March 2022	<u>242,247</u>

As part of the company's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease. Included within provisions is £200,000 (2021: £150,000) which was charged to the profit and loss when the obligation arose. The provision is expected to be utilised on termination of the lease.

The warranty provision of £42,247 (2021: £42,247) represents management's best estimate of the company's liability under warranties granted on products manufactured and sold, based on past experience and industry averages for defective products. The provision is expected to be utilised within the next 12 months.

Gulmay Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

21 Deferred taxation

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

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	146,257	111,365
	<u>146,257</u>	<u>111,365</u>
Movements in the year:		2022 £
Liability at 1 April 2021		111,365
Charge to profit or loss		34,892
		<u>146,257</u>
Liability at 31 March 2022		<u>146,257</u>

22 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	94,275	78,472
	<u>94,275</u>	<u>78,472</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

23 Dividends

	2022 Per share £	2021 Per share £	2022 Total £	2021 Total £
Ordinary Shares				
Final paid	50.00	-	500,000	-
	<u>50.00</u>	<u>-</u>	<u>500,000</u>	<u>-</u>

Gulmay Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

24 Operating lease commitments

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

	2022	2021
	£	£
Within one year	350,000	350,000
Between two and five years	1,268,750	1,493,750
In over five years	458,333	583,333
	<u>2,077,083</u>	<u>2,427,083</u>

25 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary Shares of £1 each	10,000	10,000	10,000	10,000
	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

26 Financial commitments, guarantees and contingent liabilities

Guarantees

The company has provided an unlimited inter-company guarantee in respect of Gulmay Holdings Limited, in favour of the bank.

27 Controlling party

The company is a 100% subsidiary of Gulmay Holdings Limited, a company registered in England and Wales. Consolidated accounts for Gulmay Holdings Limited and its subsidiaries are publically available from Companies House, Crown Way, Cardiff, CF14 3UZ. The ultimate controlling party is J. Duncan.

28 Directors' transactions

During the year the company disposed of a motor vehicle with net book value of £4,232 for proceeds of £11,200 to the ultimate controlling party.

Gulmay Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

29 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022	2021
	£	£
Aggregate remuneration	384,462	413,440

Transactions with Group Companies

The company has taken advantage of the exemption available under FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertakings of the group.

Etsuko Wilson Limited

Etsuko Wilson Limited is a company in which director I Wilson, has a controlling shareholding. During the year, the company made purchases totalling £23,928 (2021: £23,580) from Etsuko Wilson Limited. At the year end, included in trade creditors was £2,764 (2021: £3,592) due to Etsuko Wilson Limited.

30 Cash (absorbed by)/generated from operations

	2022	2021
	£	£
Profit for the year after tax	365,783	67,964
Adjustments for:		
Taxation credited	(137,543)	(175,000)
Finance costs	607	-
Investment income	(52)	(401)
(Gain)/loss on disposal of tangible fixed assets	(6,810)	42,914
Depreciation and impairment of tangible fixed assets	223,910	150,580
Other gains and losses	-	15,750
Increase in provisions	50,000	-
Movements in working capital:		
Increase in stock	(302,969)	(44,584)
(Increase)/decrease in debtors	(293,999)	102,754
Decrease in creditors	(203,162)	(124,379)
Cash (absorbed by)/generated from operations	(304,235)	35,598

Gulmay Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

31 Analysis of changes in net funds

	1 April 2021	Cash flows 31 March 2022	
	£	£	£
Cash at bank and in hand	1,738,399	(854,775)	883,624
Obligations under finance leases	(12,451)	(17,879)	(30,330)
	<u>1,725,948</u>	<u>(872,654)</u>	<u>853,294</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.