

Company Registration No. 00599506 (England and Wales)

VISION ENGINEERING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



VISION ENGINEERING LIMITED

COMPANY INFORMATION

Directors	J Arnold J Curtis M Curtis J Freeman S Mead G Mercer P Newbatt	(Appointed 1 May 2020)
Company number	00599506	
Registered office	The Freeman Building Galileo Drive Send Woking Surrey United Kingdom GU23 7ER	
Auditor	Azets Audit Services Ashcombe Court Woolsack Way Godalming Surrey United Kingdom GU7 1LQ	

VISION ENGINEERING LIMITED

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VISION ENGINEERING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

Fair review of the business

The results for the year and financial position of the company and the group are as shown in the annexed accounts.

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross profit margin and return on capital employed.

A post Covid global market strategy has been formulated and is being implemented.

Diversification continues as a key part of the strategic plan, with:

- A broader product base, including external strategic collaborations, providing better penetration of existing markets and new penetration of new markets
- The exploitation of new global IP
- Expansion of the Company VEMOS division (Vision Engineering Manufacturing & Optical Services) providing 3rd party manufacturing and optical components
- Expansion of the existing representative office network in India, SE Asia to include South Korea
- Expansion of the successful Vision Engineering China sales office
- Expansion of the Hispanic team covering Central and South America (managed from the North American office).
- Investment in and potential acquisition of other complementary companies
- Finance for expansion by acquisition has been identified and will be used as needed
- Expansion and better management of the Company asset base, while minimising financial exposure

Repivotting from markets under pressure (automotive and aerospace) to markets showing positive activity (Medical devices, Life Sciences, Research, Defence) continues to be pursued.

The VEMOS division continues to expand satisfactorily, with a broader customer base than hitherto.

The 33,000ft² factory vacated by Vision Engineering in May 2017 has been refurbished and turned into 7 light industrial units for rent of which 6 are currently occupied. Preparation administration is taking place to activate the housing planning permission on this site in 2023

The 84,000 ft²/ 7500m² new factory and global HQ in Send, Woking, known as the Freeman Building was occupied in May 2017 and is now fully functional. Investment in enhanced machining and ancillary capabilities has taken place.

An internal expansion plan has been established and costed and is ready to implement, when demand dictates. Investment in staff development & retention (including a flourishing apprentice scheme) and a full time staff development and retention manager has helped to counter the skills gap and will continue.

A management development team of junior and middle managers, with the potential for future director responsibilities has been established and is part of a managed training program, to equip the team with broader management skills outside their own niches. A coherent Director succession plan has been established as a result

VISION ENGINEERING LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Fair Review of the Business (continued)

As a reaction to COVID stresses, the Group has ensured that it has access to Job Support Schemes in all countries where Vision Engineering has staff. Some limited staff downsizing has happened, to reduce costs.

As business interruption loans and grants have become available in different countries, Vision Engineering has ensured that they are approved, as a contingency underpinning of liquidity. The Group has ensured that the tail off of loans/grants provided by governments during the COVID crisis is anticipated and manageable.

As a manufacturer of optical and digital instrumentation, the company continues to operate across the following principal geographical markets:

- United Kingdom and Ireland
- Iberia (based in France), Central Europe (based in Germany) and Italy
- North America (USA, Mexico, Canada, Costa Rica, South America)
- Japan
- China
- Rest of the World

Non UK business accounts for approx. 90% of turnover. UK/EU markets have experienced a slower level of growth than almost all other economies as a result of the Brexit referendum and continued uncertainty as to post exit structures. At the end of the financial year being reported on, the COVID 19 pandemic had an effect on global economies. In FY 20/21, the COVID effect has been severe. The COVID effect has been dramatically negative.

During the period reported on, Company strategy globally switched to cash preservation and financial underpinning, rather than profit.

Contingency planning was undertaken for up to 50% reduction in turnover. In the event, the downturn was somewhat less than 30% at its worst. The impact, although significant was less than planned for, enabling the Company to continue with some long term programs, as detailed below.

A significant increase in R&D activity and output has been enabled by substantial organic investment. The strategic decision has been taken to continue with substantial R&D investment to help with COVID repivoting and competitiveness post Covid.

We made an operating loss in 2021 of £987,548 (net profit of -4.4%) compared to a profit of £818,451 (net profit of 2.7%) for 2020. Pre Tax losses for the year were £969,779 compared to profits of £857,717 for 2020.

After taxation and minority interests, reserves have been reduced by £941,867 in 2021.

VISION ENGINEERING LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

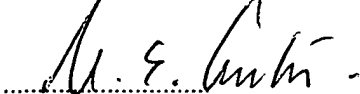
Description of Principal Risks and Uncertainties

Risk factors identified for the coming year are as follows;

- The continued patchy nature of the post COVID recovery
- Continued post Brexit uncertainty and lack of advantageous trade treaties
- The lack of clear UK Government leadership on both COVID and Brexit logistical challenges
- Inflationary pressures worldwide, including substantial increases in costs
- The challenge of managing 2 potential acquisitions & the absorption of hitherto independent companies into the Vision Engineering Group

Return on capital employed is -3.6% (2020: 2.7 %). Return on capital employed is calculated as profit before interest and tax divided by capital employed, which constitutes total assets less current liabilities, less investments, less cash, plus overdrafts and other short term borrowings.

On behalf of the board



M Curtis
Director

Date:

22.12.2021

VISION ENGINEERING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Principal activities

The principal activity of the company and group continued to be that of the manufacture of optical instruments.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid.

Directors

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

J Arnold

J Curtis

M Curtis

J Freeman

S Mead

G Mercer

P Newbatt

(Appointed 1 May 2020)

Auditor

The auditor, Azets Audit Services, 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 auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



M Curtis

Director

Date: 22.12.21

VISION ENGINEERING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

VISION ENGINEERING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VISION ENGINEERING LIMITED

Opinion

We have audited the financial statements of Vision Engineering Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

VISION ENGINEERING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF VISION ENGINEERING LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Responsibilities of directors

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

Auditor's responsibilities for the audit of the financial statements

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

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

VISION ENGINEERING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VISION ENGINEERING LIMITED

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Azets Audit Services

Sharon Ward BSc FCA CF (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

Date: 22 December 2021

Chartered Accountants
Statutory Auditor

Ashcombe Court
Woolsack Way
Godalming
Surrey
United Kingdom
GU7 1LQ

VISION ENGINEERING LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	3	22,325,767	30,790,762
Cost of sales		(11,292,299)	(15,289,216)
Gross profit		<u>11,033,468</u>	<u>15,501,546</u>
Administrative expenses		(13,363,368)	(15,615,799)
Other operating income		1,342,352	932,704
Operating (loss)/profit	4	<u>(987,548)</u>	<u>818,451</u>
Interest receivable and similar income		32,790	41,241
Interest payable and similar expenses		(15,021)	(1,975)
(Loss)/profit before taxation		<u>(969,779)</u>	<u>857,717</u>
Tax on (loss)/profit	8	16,137	(161,468)
(Loss)/profit for the financial year		<u>(953,642)</u>	<u>696,249</u>
(Loss)/profit for the financial year is attributable to:			
- Owners of the parent company		(941,867)	699,227
- Non-controlling interests		(11,775)	(2,978)
		<u>(953,642)</u>	<u>696,249</u>

VISION ENGINEERING LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
(Loss)/profit for the year	<u>(953,642)</u>	<u>696,249</u>
Other comprehensive income		
Revaluation of tangible fixed assets	(8,285)	8,495
Currency translation differences	(1,434,796)	1,046,812
Other comprehensive income of associates and jointly controlled entities accounted for using the equity method	<u>(7,084)</u>	<u>7,364</u>
Other comprehensive income for the year	<u>(1,450,165)</u>	<u>1,062,671</u>
Total comprehensive income for the year	<u>(2,403,807)</u>	<u>1,758,920</u>
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	(2,384,948)	1,754,534
- Non-controlling interests	<u>(18,859)</u>	<u>4,386</u>
	<u>(2,403,807)</u>	<u>1,758,920</u>

VISION ENGINEERING LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2021

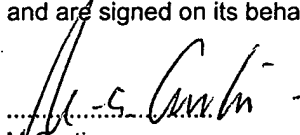
	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Negative goodwill	9		-		(322,672)
Tangible assets	10		19,644,459		20,793,266
Investments	11		275,310		-
			<u>19,919,769</u>		<u>20,470,594</u>
Current assets					
Stocks	13	7,843,439		9,504,807	
Debtors	14	5,642,403		6,071,563	
Cash at bank and in hand		13,735,039		7,354,928	
		<u>27,220,881</u>		<u>22,931,298</u>	
Creditors: amounts falling due within one year	15	<u>(6,254,131)</u>		<u>(5,597,434)</u>	
Net current assets			20,966,750		17,333,864
Total assets less current liabilities			<u>40,886,519</u>		<u>37,804,458</u>
Creditors: amounts falling due after more than one year	16		(5,433,497)		(5,187)
Provisions for liabilities					
Deferred tax liability	18	110,127		52,708	
		<u>(110,127)</u>		<u>(52,708)</u>	
Net assets			<u>35,342,895</u>		<u>37,746,563</u>
Capital and reserves					
Called up share capital	21		24,555		24,416
Share premium account			6,776,053		6,776,053
Revaluation reserve			1,386,772		1,395,057
Profit and loss reserves			27,125,614		29,498,052
			<u>35,312,994</u>		<u>37,693,578</u>
Equity attributable to owners of the parent company					
Non-controlling interests			29,901		52,985
			<u>35,342,895</u>		<u>37,746,563</u>

VISION ENGINEERING LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

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



M Curtis
Director

22.12.2021

VISION ENGINEERING LIMITED

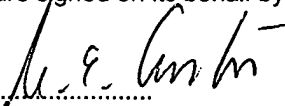
COMPANY BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	10		19,016,461		19,627,628
Investments	11		7,105,068		6,829,758
			<u>26,121,529</u>		<u>26,457,386</u>
Current assets					
Stocks	13	5,986,775		6,625,396	
Debtors	14	5,133,968		4,771,521	
Cash at bank and in hand		10,396,041		5,647,297	
			<u>21,516,784</u>		<u>17,044,214</u>
Creditors: amounts falling due within one year	15	(7,306,789)		(7,112,086)	
Net current assets			<u>14,209,995</u>		<u>9,932,128</u>
Total assets less current liabilities			<u>40,331,524</u>		<u>36,389,514</u>
Creditors: amounts falling due after more than one year	16		(5,309,352)		(5,187)
Net assets			<u><u>35,022,172</u></u>		<u><u>36,384,327</u></u>
Capital and reserves					
Called up share capital	21		24,555		24,416
Share premium account			6,776,053		6,776,053
Revaluation reserve			1,386,772		1,395,057
Profit and loss reserves			26,834,792		28,188,801
Total equity			<u><u>35,022,172</u></u>		<u><u>36,384,327</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £1,161,552 (2020 - £435,850 profit).

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



 M Curtis
 Director
 22.12.2021

Company Registration No. 00599506

VISION ENGINEERING LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Share capital	Share premium account	Revaluation reserve	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
Notes	£	£	£	£	£	£	£
Balance at 1 April 2019	20,000	-	1,386,562	27,752,013	29,158,575	48,599	29,207,174
Year ended 31 March 2020:							
Profit for the year	-	-	-	699,227	699,227	(2,978)	696,249
Other comprehensive income:							
Revaluation of tangible fixed assets	-	-	8,495	-	8,495	-	8,495
Currency translation differences	-	-	-	1,046,812	1,046,812	-	1,046,812
Other comprehensive income of associates and jointly controlled entities accounted for using the equity method	-	-	-	7,364	7,364	-	7,364
Amounts attributable to non-controlling interests	-	-	-	(7,364)	(7,364)	7,364	-
Total comprehensive income for the year	-	-	8,495	1,746,039	1,754,534	4,386	1,758,920
Issue of share capital	21	4,416	6,776,053	-	6,780,469	-	6,780,469
Balance at 31 March 2020	24,416	6,776,053	1,395,057	29,498,052	37,693,578	52,985	37,746,563

VISION ENGINEERING LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total controlling interest £	Non- controlling interest £	Total £
Year ended 31 March 2021:								
Loss for the year		-	-	-	(941,867)	(941,867)	(11,775)	(953,642)
Other comprehensive income:								
Revaluation of tangible fixed assets		-	-	(8,285)	-	(8,285)	-	(8,285)
Currency translation differences		-	-	-	(1,434,796)	(1,434,796)	-	(1,434,796)
Other comprehensive income of associates and jointly controlled entities accounted for using the equity method		-	-	-	(7,084)	(7,084)	-	(7,084)
Amounts attributable to non-controlling interests		-	-	-	7,084	7,084	(7,084)	-
Total comprehensive income for the year		-	-	(8,285)	(2,376,663)	(2,384,948)	(18,859)	(2,403,807)
Issue of share capital	21	139	-	-	-	139	-	139
Other movements		-	-	-	4,225	4,225	(4,225)	-
Balance at 31 March 2021		24,555	6,776,053	1,386,772	27,125,614	35,312,994	29,901	35,342,895

VISION ENGINEERING LIMITED

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

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2019		20,000	-	1,386,562	27,470,852	28,877,414
Year ended 31 March 2020:						
Profit for the year		-	-	-	435,850	435,850
Other comprehensive income:						
Revaluation of tangible fixed assets		-	-	8,495	-	8,495
Currency translation differences		-	-	-	282,099	282,099
Total comprehensive income for the year		-	-	8,495	717,949	726,444
Issue of share capital	21	4,416	6,776,053	-	-	6,780,469
Balance at 31 March 2020		24,416	6,776,053	1,395,057	28,188,801	36,384,327
Year ended 31 March 2021:						
Loss for the year		-	-	-	(1,161,552)	(1,161,552)
Other comprehensive income:						
Revaluation of tangible fixed assets		-	-	(8,285)	-	(8,285)
Currency translation differences		-	-	-	(192,457)	(192,457)
Total comprehensive income for the year		-	-	(8,285)	(1,354,009)	(1,362,294)
Issue of share capital	21	139	-	-	-	139
Balance at 31 March 2021		24,555	6,776,053	1,386,772	26,834,792	35,022,172

VISION ENGINEERING LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	25	1,186,460		1,796,264	
Interest paid		(15,021)		(1,975)	
Income taxes refunded/(paid)		108,336		(279,295)	
Net cash inflow from operating activities		1,279,775		1,514,994	
Investing activities					
Purchase of business		-	1,518,424		
Purchase of tangible fixed assets	(386,750)		(1,896,224)		
Proceeds on disposal of tangible fixed assets	464,180		25,350		
Purchase of unlisted investments	(275,310)		-		
Receipts arising from loans made	(5,265)		(206)		
Interest received	32,790		41,241		
Net cash used in investing activities			(170,355)		(311,415)
Financing activities					
Proceeds of new bank loans	5,270,691		-		
Net cash generated from/(used in) financing activities		5,270,691			-
Net increase in cash and cash equivalents		6,380,111		1,203,579	
Cash and cash equivalents at beginning of year		7,354,928		6,151,349	
Cash and cash equivalents at end of year		13,735,039		7,354,928	

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Vision Engineering Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is The Freeman Building, Galileo Drive, Send, Woking, Surrey, United Kingdom, GU23 7ER.

The group consists of Vision Engineering Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

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

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Business combinations

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

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.3 Basis of consolidation

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

All financial statements are made up to 31 March 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. In forming this assessment, the Directors have paid particular attention to the ongoing impact of Covid-19 on the activities of the group.

1.5 Turnover

Turnover is measured at fair value of the consideration received or receivable and represents the amount receivable for goods and services supplied to customers in the normal course of business, excluding value added tax.

Goods are invoiced and revenue is recognised when the goods are despatched to the customer or in accordance with the contract terms where customer approval is required prior to the despatch of goods.

1.6 Intangible fixed assets - goodwill

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

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered, which is 21 months.

1.7 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.

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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

Freehold buildings	1.25-5% on cost
Plant and equipment	10-50% on cost
Fixtures and fittings	20%-33.5% on cost
Motor vehicles	20% on cost

Freehold land is not depreciated.

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

1.8 Fixed asset investments

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

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

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

1.9 Impairment of fixed assets

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

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

1.10 Stocks

Stock comprises raw materials, work in progress, finished goods and goods for resale and is stated at the lower of cost and estimated selling price less costs to complete and sell, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads. The estimated selling price is based on the price at which stock can be realised in the normal course of business.

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

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.11 Cash and cash equivalents

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

1.12 Financial instruments

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

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

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

Basic financial assets

Short term debtors are measured at transaction value less any impairment. At each balance sheet date, debtors are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is measured as the difference between the carrying amount and the amount expected to be received.

Basic financial liabilities

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

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less.

1.13 Equity instruments

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

1.14 Taxation

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

Current tax

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

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Deferred tax

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

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

1.15 Employee benefits

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

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

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

1.16 Retirement benefits

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

1.17 Share-based payments

Equity-settled share-based payments are measured using a recent company valuation.

The expense in relation to the grant of the parent company's shares granted to an employee has been recognised immediately as there was no vesting period.

1.18 Leases

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.19 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.

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.20 Foreign exchange

Trading results of overseas operations and assets and liabilities denominated in foreign currencies are expressed in sterling at the rate of exchange ruling at the balance sheet date.

Unrealised exchange differences arising on the translation into sterling of net assets of overseas branches are recorded as a movement on reserves.

Exchange differences arising in the normal course of trade are included within the profit and loss account.

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Stock provision

Stock values can decrease due to deterioration, damage or obsolescence. A provision is therefore determined based on each product's movement history. The directors exercise judgement over specific stock lines and make provisions where these are deemed to be appropriate.

Overhead absorption rates

In accordance with the accounting policy, a proportion of fixed and variable overhead costs have been absorbed into the cost of stocks. The Directors have made judgements in relation to these costs based on their knowledge of the manufacturing process involved.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Sale of goods	21,592,111	29,732,039
Rendering of services	733,656	1,058,723
	<u>22,325,767</u>	<u>30,790,762</u>
	2021	2020
	£	£
Other significant revenue		
Interest income	32,790	41,241
Grants received	789,491	18,397
	<u>822,281</u>	<u>59,638</u>

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

3	Turnover and other revenue	(Continued)	
		2021	2020
		£	£
	Turnover analysed by geographical market		
	United Kingdom	2,309,208	2,996,616
	Germany	4,161,086	6,359,033
	Iberia	1,724,905	2,158,629
	Italy	2,054,053	2,729,893
	USA	7,367,199	10,174,097
	Japan	1,071,834	1,600,832
	Other exports - EC	965,572	1,311,295
	Other exports - Non EC	2,671,910	3,460,367
		<u>22,325,767</u>	<u>30,790,762</u>
		<u><u>22,325,767</u></u>	<u><u>30,790,762</u></u>
4	Operating (loss)/profit	2021	2020
		£	£
	Operating (loss)/profit for the year is stated after charging/(crediting):		
	Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(854,109)	897,137
	Research and development costs	985,431	1,140,794
	Government grants	(789,491)	(18,397)
	Depreciation of owned tangible fixed assets	913,534	800,631
	Profit on disposal of tangible fixed assets	(67,967)	(16,124)
	Release of negative goodwill	(322,672)	(293,340)
	Share-based payments	139	-
	Operating lease charges	881,182	872,434
		<u>881,182</u>	<u>872,434</u>
		<u><u>881,182</u></u>	<u><u>872,434</u></u>
5	Auditor's remuneration	2021	2020
		£	£
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the group and company	31,450	37,400
	Audit of the financial statements of the company's subsidiaries	5,950	-
		<u>37,400</u>	<u>37,400</u>
		<u><u>37,400</u></u>	<u><u>37,400</u></u>

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

6 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Office and management	56	56	51	51
Production	79	90	60	69
Sales	62	61	44	42
Research	10	10	10	10
Total	<u>207</u>	<u>217</u>	<u>165</u>	<u>172</u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	9,505,924	10,654,633	6,958,263	7,673,989
Social security costs	1,204,857	1,452,045	1,021,131	1,226,807
Pension costs	124,158	130,227	124,158	130,227
	<u>10,834,939</u>	<u>12,236,905</u>	<u>8,103,552</u>	<u>9,031,023</u>

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	619,974	532,230
Company pension contributions to defined contribution schemes	19,393	17,523
	<u>639,367</u>	<u>549,753</u>

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

	2021 £	2020 £
Remuneration for qualifying services	168,016	154,677
Company pension contributions to defined contribution schemes	4,582	5,100
	<u>172,598</u>	<u>159,777</u>

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

8 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	(16,137)	-
Adjustments in respect of prior periods	-	3,205
Total UK current tax	<u>(16,137)</u>	<u>3,205</u>
Adjustments in foreign tax in respect of prior periods	-	158,263
Total current tax	<u>(16,137)</u>	<u>161,468</u>

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

	2021 £	2020 £
(Loss)/profit before taxation	<u>(969,779)</u>	<u>857,717</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(184,258)	162,966
Tax effect of expenses that are not deductible in determining taxable profit	-	6,096
Unutilised tax losses carried forward	559,090	307,031
Change in unrecognised deferred tax assets	(63,111)	(129,820)
Adjustments in respect of prior years	-	3,205
Research and development tax credit	(228,000)	(216,751)
Effect of overseas tax rates	(16,137)	158,263
Decrease from patent box adjustment	(37,032)	(53,729)
Other tax adjustments	(46,689)	(75,793)
Taxation (credit)/charge	<u>(16,137)</u>	<u>161,468</u>

9 Intangible fixed assets

Group	Negative goodwill £
Cost	
At 1 April 2020 and 31 March 2021	<u>(616,012)</u>
Amortisation and impairment	
At 1 April 2020	(293,340)
Amortisation charged for the year	(322,672)
At 31 March 2021	<u>(616,012)</u>

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

9	Intangible fixed assets	(Continued)
	Carrying amount	
	At 31 March 2021	-
	At 31 March 2020	<u><u>(322,672)</u></u>

The company had no intangible fixed assets at 31 March 2021 or 31 March 2020.

10 Tangible fixed assets

Group	Freehold buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2020	22,797,348	8,314,336	1,345,500	66,189	32,523,373
Additions	27,632	323,569	34,149	1,400	386,750
Disposals	(388,816)	(4,486,959)	(347,118)	(5,000)	(5,227,893)
Exchange adjustments	(417,698)	(317,801)	(74,302)	(2,247)	(812,048)
At 31 March 2021	<u>22,018,466</u>	<u>3,833,145</u>	<u>958,229</u>	<u>60,342</u>	<u>26,870,182</u>
Depreciation and impairment					
At 1 April 2020	3,291,508	7,375,529	1,021,881	41,189	11,730,107
Depreciation charged in the year	541,138	243,075	121,041	8,280	913,534
Eliminated in respect of disposals	-	(4,486,959)	(346,665)	(3,800)	(4,837,424)
Transfers	-	5,744	-	-	5,744
Exchange adjustments	(219,268)	(305,918)	(58,805)	(2,247)	(586,238)
At 31 March 2021	<u>3,613,378</u>	<u>2,831,471</u>	<u>737,452</u>	<u>43,422</u>	<u>7,225,723</u>
Carrying amount					
At 31 March 2021	<u>18,405,088</u>	<u>1,001,674</u>	<u>220,777</u>	<u>16,920</u>	<u>19,644,459</u>
At 31 March 2020	<u>19,505,840</u>	<u>938,807</u>	<u>323,619</u>	<u>25,000</u>	<u>20,793,266</u>

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10 Tangible fixed assets

(Continued)

Company	Freehold buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2020	20,380,038	6,105,822	900,479	50,440	27,436,779
Additions	8,649	310,867	26,700	1,400	347,616
Disposals	(36,400)	(4,486,959)	(347,118)	(5,000)	(4,875,477)
Exchange adjustments	(72,746)	(2,644)	(10,717)	-	(86,107)
At 31 March 2021	20,279,541	1,927,086	569,344	46,840	22,822,811
Depreciation and impairment					
At 1 April 2020	1,863,327	5,250,272	670,112	25,440	7,809,151
Depreciation charged in the year	519,575	231,248	96,422	8,280	855,525
Eliminated in respect of disposals	-	(4,486,959)	(346,665)	(3,800)	(4,837,424)
Transfers	-	5,744	-	-	5,744
Exchange adjustments	(15,466)	(2,643)	(8,537)	-	(26,646)
At 31 March 2021	2,367,436	997,662	411,332	29,920	3,806,350
Carrying amount					
At 31 March 2021	17,912,105	929,424	158,012	16,920	19,016,461
At 31 March 2020	18,516,711	855,550	230,367	25,000	19,627,628

Freehold land and buildings used in Germany and the United States with a carrying amount of £1,314,020 (2020 - £1,885,064) have been pledged security for a general credit line provided by a bank, and a revolving credit facility provided by a bank.

Included in the cost of land and buildings for the group is freehold land of £1,619,122 (2020 - £1,972,898) which is not depreciated.

Included in the cost of land and buildings for the company is freehold land of £1,542,024 (2020 - £1,545,055) which is not depreciated.

Freehold property included within land and buildings in the United Kingdom was valued on an open market basis by the Directors on 30 April 2000. The valuations are treated as deemed cost in line with the transitional arrangements of FRS102. Freehold property included in land and buildings in Germany was valued on an open market basis by BV Immobilien-Gesellschaft GmbH on 20 February 1995. The valuations will not be updated. If the freehold property had not been revalued it would have been included at an historical cost of £1,570,453.

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

11 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	12	-	-	6,829,758	6,829,758
Unlisted investments		275,310	-	275,310	-
		<u>275,310</u>	<u>-</u>	<u>7,105,068</u>	<u>6,829,758</u>

Movements in fixed asset investments

Group	Investments £
Cost or valuation	
At 1 April 2020	-
Additions	275,310
At 31 March 2021	<u>275,310</u>
Carrying amount	
At 31 March 2021	<u>275,310</u>
At 31 March 2020	<u>-</u>

Movements in fixed asset investments

Company	Shares in subsidiaries £	Other investments £	Total £
Cost or valuation			
At 1 April 2020	6,829,758	-	6,829,758
Additions	-	275,310	275,310
At 31 March 2021	<u>6,829,758</u>	<u>275,310</u>	<u>7,105,068</u>
Carrying amount			
At 31 March 2021	<u>6,829,758</u>	<u>275,310</u>	<u>7,105,068</u>
At 31 March 2020	<u>6,829,758</u>	<u>-</u>	<u>6,829,758</u>

12 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

12 Subsidiaries

(Continued)

Name of undertaking	Registered office	Class of shares held	% Held Direct
Rose Technology Limited	United Kingdom	Ordinary	99.97
Nippon Vision Engineering	Japan	Ordinary	90.00
Vision Engineering Inc	United States of America	Ordinary	100.00

13 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Raw materials and consumables	4,856,842	5,479,736	4,172,430	4,523,548
Work in progress	269,455	279,934	269,455	279,934
Finished goods and goods for resale	2,717,142	3,745,137	1,544,890	1,821,914
	<u>7,843,439</u>	<u>9,504,807</u>	<u>5,986,775</u>	<u>6,625,396</u>

14 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	4,110,762	4,842,193	2,581,591	2,979,833
Gross amounts owed by contract customers	369,674	376,377	369,674	376,377
Corporation tax recoverable	6,186	117,665	6,186	117,665
Amounts owed by group undertakings	-	-	1,085,285	661,278
Other debtors	367,440	279,218	336,998	264,551
Prepayments and accrued income	788,341	456,110	754,234	371,817
	<u>5,642,403</u>	<u>6,071,563</u>	<u>5,133,968</u>	<u>4,771,521</u>

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Payments received on account		28,895	36,163	28,895	36,163
Trade creditors		1,315,352	1,074,322	1,104,423	846,654
Amounts owed to group undertakings		-	-	1,752,236	2,098,780
Corporation tax payable		7,938	84,637	-	-
Other taxation and social security		629,743	671,751	629,743	671,751
Government grants	19	289,673	-	-	-
Other creditors		216,987	270,356	188,162	246,792
Accruals and deferred income		3,765,543	3,460,205	3,603,330	3,211,946
		<u>6,254,131</u>	<u>5,597,434</u>	<u>7,306,789</u>	<u>7,112,086</u>

16 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	17	5,270,691	-	5,146,546	-
Trade creditors		162,806	5,187	162,806	5,187
		<u>5,433,497</u>	<u>5,187</u>	<u>5,309,352</u>	<u>5,187</u>

17 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	<u>5,270,691</u>	<u>-</u>	<u>5,146,546</u>	<u>-</u>
Payable after one year	<u>5,270,691</u>	<u>-</u>	<u>5,146,546</u>	<u>-</u>

The bank holds security in the form of a cash deposit of £235,370 (2020: £235,370) to be held against a guarantee provided by the bank for HM Revenue and Customs duty liabilities to a limit of £122,870 (2020: £122,870).

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

18 Deferred taxation

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

	Liabilities 2021 £	Liabilities 2020 £
Group		
Accelerated capital allowances	145,140	52,708
Tax losses	(35,013)	-
	<u>110,127</u>	<u>52,708</u>

The company has no deferred tax assets or liabilities.

	Group 2021 £	Company 2021 £
Movements in the year:		
Liability at 1 April 2020	52,708	-
Charge to profit or loss	57,419	-
	<u>110,127</u>	<u>-</u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period. The deferred tax liability set out above relates to accelerated capital allowances that are expected to mature over the same period as the reversal of the liability.

19 Deferred grants

	Group 2021 £	2020 £	Company 2021 £	2020 £
Arising from government grants	289,673	-	-	-
	<u>289,673</u>	<u>-</u>	<u>-</u>	<u>-</u>

20 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	124,158	130,227
	<u>124,158</u>	<u>130,227</u>

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

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

21 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	24,555	24,416	24,555	24,416

During the year, 139 Ordinary shares having an aggregate nominal value of £139 were allotted for £nil consideration. The shares were allotted to an employee.

22 Operating lease commitments

Lessee

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

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Within one year	315,773	394,311	172,338	217,147
Between two and five years	255,935	519,112	150,357	174,241
	<u>571,708</u>	<u>913,423</u>	<u>322,695</u>	<u>391,388</u>

23 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Amounts repaid by related party		Amounts loaned to related party	
	2021 £	2020 £	2021 £	2020 £
Group				
Shareholders	989,696	501,536	(994,961)	(501,409)
	<u>989,696</u>	<u>501,536</u>	<u>(994,961)</u>	<u>(501,409)</u>
Company				
Shareholders	989,696	501,536	(994,961)	(501,409)
	<u>989,696</u>	<u>501,536</u>	<u>(994,961)</u>	<u>(501,409)</u>

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2021 Balance £	2020 Balance £
Group		
Shareholders	5,471	206
	<u>5,471</u>	<u>206</u>

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

23	Related party transactions	(Continued)		
	Company			
	Shareholders	5,471	206	
		<u> </u>	<u> </u>	
24	Controlling party			
	The ultimate controlling parties are M Curtis, J P Curtis and J M Freeman.			
25	Cash generated from group operations			
		2021	2020	
		£	£	
	(Loss)/profit for the year after tax	(953,642)	696,249	
	Adjustments for:			
	Taxation (credited)/charged	(16,137)	161,468	
	Finance costs	15,021	1,975	
	Investment income	(32,790)	(41,241)	
	Gain on disposal of tangible fixed assets	(67,967)	(16,124)	
	Amortisation and impairment of intangible assets	(322,672)	(293,340)	
	Depreciation and impairment of tangible fixed assets	913,534	800,631	
	Foreign exchange gains on cash equivalents	(1,224,355)	910,062	
	Equity settled share based payment expense	139	-	
	Movements in working capital:			
	Decrease/(increase) in stocks	1,661,368	(915,848)	
	Decrease/(increase) in debtors	322,946	(721,156)	
	Increase in creditors	601,342	1,213,588	
	Increase in deferred income	289,673	-	
		<u> </u>	<u> </u>	
	Cash generated from operations	1,186,460	1,796,264	
		<u> </u>	<u> </u>	
26	Analysis of changes in net funds - group			
		1 April 2020	Cash flows	31 March
				2021
		£	£	£
	Cash at bank and in hand	7,354,928	6,380,111	13,735,039
	Borrowings excluding overdrafts	-	(5,270,691)	(5,270,691)
		<u> </u>	<u> </u>	<u> </u>
		7,354,928	1,109,420	8,464,348
		<u> </u>	<u> </u>	<u> </u>