

REGISTERED NUMBER: 08249178 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
EUROCRAFT TECHNOLOGIES LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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EUROCRAFT TECHNOLOGIES LIMITED

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

DIRECTOR: P Mehta

REGISTERED OFFICE: Cinderbank
Dudley
West Midlands
DY2 9AE

REGISTERED NUMBER: 08249178 (England and Wales)

AUDITORS: DNG Dove Naish LLP, Statutory Auditor
Eagle House
28 Billing Road
Northampton
NN1 5AJ

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

The director presents his strategic report for the year ended 31 December 2021.

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

REVIEW OF BUSINESS

Turnover has increased by 14.7% this year, from £12,514,774 to £14,359,110.

Gross profit margin has decreased by 1.7% from 22.3% to 20.6%, largely as a result of rising labour costs.

Profit before tax increased by 38.8% to £999,837, and as a percentage of turnover, has increased from 5.8% to 6.9%.

Given the economic difficulties caused by the worldwide Covid-19 pandemic, the Director is pleased with the financial performance of the company for the year.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk is a key element of the company's strategic management, whereby it addresses the risks attached to each of its activities. This is reflected in the company's Business Continuity plan, which incorporates Risk Tolerance Matrices, Business Impact Analyses and Action Plans.

Regular reviews of the company's Business Continuity plan, policies, quality control and health and safety procedures are undertaken as part of the company's risk management process.

In common with many manufacturing businesses in the UK the company continues to be exposed to the effects of global competition but focuses on providing quality products and solutions for its customers.

Brexit and the Covid-19 pandemic risk

The company has proved to be resilient to both Brexit and the worldwide Covid-19 pandemic. Nevertheless, ongoing uncertainties arising from Brexit, exacerbated by the added complications arising from the Covid-19 pandemic on supply and shipping, do both remain a risk to the business.

KEY PERFORMANCE INDICATORS

The company operates with a range of key performance indicators, the principal measures fall within the following categories; profitability, sales & customer service, resource & cost effectiveness. These are reviewed at regular QMS meetings.

SIGNED BY ORDER OF THE DIRECTORS:

P Mehta - Director

30 September 2022

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

The director presents his report with the financial statements of the company for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the design, manufacture and sale of enclosure systems for use in the communications industries in both internal and external environments.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2021.

RESEARCH AND DEVELOPMENT

The company will continue to support its customers' design and technical authorities by developing new product sets that meet their application specific requirements. The company has again invested in research and development to achieve product approvals in a new product range.

FUTURE DEVELOPMENTS

The company continues to work in partnership with its major customers ensuring that its products and solutions meet the demands of evolving technologies within the telecommunications sector.

DIRECTOR

P Mehta held office during the whole of the period from 1 January 2021 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

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

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

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

AUDITORS

The auditors, DNG Dove Naish LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

SIGNED BY ORDER OF THE DIRECTORS:

P Mehta - Director

30 September 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EUROCRAFT TECHNOLOGIES LIMITED

Opinion

We have audited the financial statements of Eurocraft Technologies Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity 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 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

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

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

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 Director 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 Director have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EUROCRAFT TECHNOLOGIES LIMITED

Matters on which we are required to report by exception

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

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

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant Taxation legislation

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the understatement of revenue. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing meeting minutes, regulatory correspondence and professional fees, detailed substantive testing on the completeness of income, and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EUROCRAFT TECHNOLOGIES LIMITED

Use of our report

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

Andrew Clifford (Senior Statutory Auditor)
for and on behalf of DNG Dove Naish LLP, Statutory Auditor
Eagle House
28 Billing Road
Northampton
NN1 5AJ

4 October 2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
TURNOVER	3	14,359,110	12,514,774
Cost of sales		11,407,529	9,722,410
GROSS PROFIT		2,951,581	2,792,364
Administrative expenses		1,954,543	2,069,887
		997,038	722,477
Other operating income		3,387	3,387
OPERATING PROFIT	5	1,000,425	725,864
Interest receivable and similar income		567	-
		1,000,992	725,864
Interest payable and similar expenses	6	1,155	5,588
PROFIT BEFORE TAXATION		999,837	720,276
Tax on profit	7	48,949	103,145
PROFIT FOR THE FINANCIAL YEAR		950,888	617,131
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		950,888	617,131

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		226,485		377,478
Tangible assets	9		893,116		898,654
			<u>1,119,601</u>		<u>1,276,132</u>
CURRENT ASSETS					
Stocks	10	2,878,964		2,877,198	
Debtors	11	2,945,304		2,729,113	
Cash at bank and in hand		<u>1,156,995</u>		<u>158,658</u>	
		6,981,263		5,764,969	
CREDITORS					
Amounts falling due within one year	12	<u>2,451,723</u>		<u>2,391,802</u>	
NET CURRENT ASSETS			<u>4,529,540</u>		<u>3,373,167</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,649,141		4,649,299
PROVISIONS FOR LIABILITIES	14		<u>259,656</u>		<u>210,702</u>
NET ASSETS			<u>5,389,485</u>		<u>4,438,597</u>
CAPITAL AND RESERVES					
Called up share capital	15		10,000		10,000
Merger reserve	16		120,316		120,316
Retained earnings	16		<u>5,259,169</u>		<u>4,308,281</u>
SHAREHOLDERS' FUNDS			<u>5,389,485</u>		<u>4,438,597</u>

The financial statements were approved by the director and authorised for issue on 30 September 2022 and were signed by:

P Mehta - Director

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

	Called up share capital £	Retained earnings £	Merger reserve £	Total equity £
Balance at 1 January 2020	10,000	3,691,150	120,316	3,821,466
Changes in equity				
Total comprehensive income	-	617,131	-	617,131
Balance at 31 December 2020	<u>10,000</u>	<u>4,308,281</u>	<u>120,316</u>	<u>4,438,597</u>
Changes in equity				
Total comprehensive income	-	950,888	-	950,888
Balance at 31 December 2021	<u>10,000</u>	<u>5,259,169</u>	<u>120,316</u>	<u>5,389,485</u>

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

1. STATUTORY INFORMATION

Eurocraft Technologies Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 33.7.

Significant judgements and estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the individual accounting policies below.

Turnover

Turnover represents the value, net of Value Added Tax, of goods sold and services provided to customers.

Turnover is generally recognised when the goods have been dispatched, and title passes to the customer. There are occasions where the customer does not require immediate dispatch but the company has earned the right to consideration. These are treated as bill and hold arrangements and turnover is recognised at the point the right to consideration is reached.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2013, is being amortised evenly over its estimated useful life of ten years.

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

2. **ACCOUNTING POLICIES - continued**

Tangible fixed assets

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

Plant and machinery - over 3 to 15 years straight line
Fixtures and fittings - over 3 to 8 years straight line
Leasehold improvements - over the period of the lease

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. The selection of these residual values and estimated lives requires the exercise of judgement. The directors are required to assess whether there is an indication of impairment to the carrying value of assets. In making that assessment, judgements are made in estimating value in use. The directors consider that the individual carrying values of assets are supportable by their value in use.

Government grants

Government grant income is recognised as it is received.

Stocks

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

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Financial instruments

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

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income under administrative expenses.

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021
2. ACCOUNTING POLICIES - continued
Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

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

Pension costs and other post-retirement benefits

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

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
United Kingdom	14,313,731	12,430,011
Europe	45,379	81,158
United States of America	-	3,605
	<u>14,359,110</u>	<u>12,514,774</u>

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

4. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	3,789,882	3,079,112
Social security costs	278,882	224,057
Other pension costs	97,560	91,973
	<u>4,166,324</u>	<u>3,395,142</u>

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

	2021	2020
Office and management	6	8
Manufacturing	114	105
	<u>120</u>	<u>113</u>

	2021	2020
	£	£
Director's remuneration	<u>-</u>	<u>-</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2021	2020
	£	£
Depreciation - owned assets	206,278	177,396
Loss on disposal of fixed assets	170	90
Goodwill amortisation	150,993	150,993
Auditors' remuneration	14,700	14,000
Foreign exchange differences	<u>1,046</u>	<u>45,891</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Other interest payable	<u>1,155</u>	<u>5,588</u>

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

7. TAXATION

Analysis of the tax charge

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

	2021 £	2020 £
Current tax:		
UK corporation tax	-	82,819
Over/under provision in prior year	(4)	-
Total current tax	<u>(4)</u>	<u>82,819</u>
Deferred tax	48,953	20,326
Tax on profit	<u>48,949</u>	<u>103,145</u>

UK corporation tax has been charged at 19% (2020 - 19%).

Reconciliation of total tax charge included in profit and loss

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

	2021 £	2020 £
Profit before tax	<u>999,837</u>	<u>720,276</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	189,969	136,852
Effects of:		
Expenses not deductible for tax purposes	1,451	1,167
Depreciation in excess of capital allowances	12,663	26,681
Deferred tax	48,953	20,325
Group relief	(204,087)	(81,880)
Total tax charge	<u>48,949</u>	<u>103,145</u>

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

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2021 and 31 December 2021	<u>1,509,925</u>
AMORTISATION	
At 1 January 2021	1,132,447
Amortisation for year	<u>150,993</u>
At 31 December 2021	<u>1,283,440</u>
NET BOOK VALUE	
At 31 December 2021	<u>226,485</u>
At 31 December 2020	<u>377,478</u>

9. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2021	185,108	2,329,688	453,600	2,968,396
Additions	4,995	96,076	99,838	200,909
Disposals	<u>(6,143)</u>	<u>(46,943)</u>	<u>(25,853)</u>	<u>(78,939)</u>
At 31 December 2021	<u>183,960</u>	<u>2,378,821</u>	<u>527,585</u>	<u>3,090,366</u>
DEPRECIATION				
At 1 January 2021	179,240	1,601,298	289,204	2,069,742
Charge for year	3,272	145,528	57,478	206,278
Eliminated on disposal	<u>(6,143)</u>	<u>(46,854)</u>	<u>(25,773)</u>	<u>(78,770)</u>
At 31 December 2021	<u>176,369</u>	<u>1,699,972</u>	<u>320,909</u>	<u>2,197,250</u>
NET BOOK VALUE				
At 31 December 2021	<u>7,591</u>	<u>678,849</u>	<u>206,676</u>	<u>893,116</u>
At 31 December 2020	<u>5,868</u>	<u>728,390</u>	<u>164,396</u>	<u>898,654</u>

10. STOCKS

	2021 £	2020 £
Raw materials	1,420,210	1,430,309
Work-in-progress	1,303,614	990,543
Finished goods	<u>155,140</u>	<u>456,346</u>
	<u>2,878,964</u>	<u>2,877,198</u>

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

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2021	2020
	£	£
Trade debtors	2,678,653	2,428,562
Amounts owed by group undertakings	-	76,069
Other debtors	100,121	50,006
Tax	12,088	19,269
Prepayments and accrued income	<u>154,442</u>	<u>155,207</u>
	<u>2,945,304</u>	<u>2,729,113</u>
12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2021	2020
	£	£
Trade creditors	1,882,383	1,734,427
Social security and other taxes	93,747	59,111
VAT	313,942	433,051
Other creditors	22,272	19,649
Accruals and deferred income	<u>139,379</u>	<u>145,564</u>
	<u>2,451,723</u>	<u>2,391,802</u>
13. LEASING AGREEMENTS		
Minimum lease payments under non-cancellable operating leases fall due as follows:		
	2021	2020
	£	£
Within one year	129,577	177,218
Between one and five years	<u>89,839</u>	<u>68,473</u>
	<u>219,416</u>	<u>245,691</u>
14. PROVISIONS FOR LIABILITIES		
	2021	2020
	£	£
Deferred tax	174,333	125,379
Other provisions	<u>85,323</u>	<u>85,323</u>
	<u>259,656</u>	<u>210,702</u>
	Deferred	Dilap.
	tax	provision
	£	£
Balance at 1 January 2021	125,379	85,323
Charge to Statement of Comprehensive Income during year	<u>48,954</u>	<u>-</u>
Balance at 31 December 2021	<u>174,333</u>	<u>85,323</u>

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

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2021 £	2020 £
10,000	Ordinary		<u>10,000</u>	<u>10,000</u>

16. RESERVES

	Retained earnings £	Merger reserve £	Totals £
At 1 January 2021	4,308,281	120,316	4,428,597
Profit for the year	<u>950,888</u>		<u>950,888</u>
At 31 December 2021	<u>5,259,169</u>	<u>120,316</u>	<u>5,379,485</u>

17. PENSION COMMITMENTS

The company offers all qualifying employees a fully insured personal pension scheme run by an external, independent administrator.

Contribution rates to the personal pension scheme are at rates ranging from 5% to 10% for the company and within Government-approved stakeholder terms for employees.

The pension cost charge represents contributions payable by the company and amounted to £97,560 (2020: £91,973). Contributions totalling £15,185 (2020: £15,533) were payable to the scheme at the year end and are included in creditors.

18. ULTIMATE PARENT COMPANY

Kelta Inc (incorporated in USA) is regarded by the director as being the company's ultimate parent company.

The parent undertaking of the smallest group within which the company belongs, and for which group accounts are prepared, is Kelta Limited, Eagle House, 28 Billing Road, Northampton, NN1 5AJ.

The consolidated accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

19. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

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.