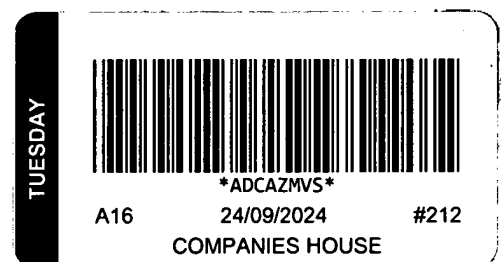


REGISTERED NUMBER: 05800783 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023  
FOR  
BURNETTS MANUFACTURING LIMITED



**BURNETTS MANUFACTURING LIMITED (REGISTERED NUMBER: 05800783)**

**CONTENTS OF THE FINANCIAL STATEMENTS  
For The Year Ended 31 December 2023**

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	<b>Page</b>
<b>Company Information</b>	1
<b>Strategic Report</b>	2
<b>Report of the Directors</b>	5
<b>Report of the Independent Auditors</b>	7
<b>Statement of Comprehensive Income</b>	10
<b>Balance Sheet</b>	11
<b>Statement of Changes in Equity</b>	12
<b>Notes to the Financial Statements</b>	13

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**BURNETTS MANUFACTURING LIMITED**

**COMPANY INFORMATION**  
**For The Year Ended 31 December 2023**

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**DIRECTORS:**

D F Murphy  
A Murphy  
B B Murphy

**REGISTERED OFFICE:**

Barn Way  
Lodge Farm Industrial Estate  
Northampton  
Northamptonshire  
NN5 7UW

**REGISTERED NUMBER:**

05800783 (England and Wales)

**AUDITORS:**

TC Group  
1 Rushmills  
Bedford Road  
Northampton  
Northamptonshire  
NN4 7YB

**STRATEGIC REPORT**  
**For The Year Ended 31 December 2023**

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The directors present their strategic report for the year ended 31 December 2023.

The principal activity of the company consists of two main areas:

- Moulding of plastics and rubber components
- Assembling moulded components

**REVIEW OF BUSINESS**

The group has continued to provide manufacturing of rubber and plastic products and components.

Turnover for the year was £9,022,953 (2022: £8,199,914). Profit before tax was £466,442 (2022: £361,035).

Burnetts Manufacturing is a wholly owned subsidiary of Burnetts Holdings Limited.

The business supplies a variety of markets including automotive, industrial battery, cable systems, sealing systems and dispensers. 2023 saw a number of markets continue to recover as improved availability of semiconductors together with rising oil prices resulted in increased volumes in both automotive and cable systems.

The company has continued to win new business from existing customers and having taken the strategic decision to focus on attracting new customers, this is now delivering growth. This has been supported by the company's breadth of technical capability, outstanding quality record and service level as attested to by both customer satisfaction data and internal KPIs. The company also uses proprietary thermoset materials which have been developed to deliver specific performance characteristics in a variety of applications and environments.

The business continues to be accredited to ISO9001, ISO14001, IATF 16949 and JLRQ.

The company remains focused on protecting its credit rating as this gives both new and existing customers confidence when assessing supplier risk in increasingly competitive markets. The company remains well placed to support new business quickly with available capacity on existing machinery.

A significant volume of new business from both new and existing customers will commence in Q4 2024 and ramp up throughout 2025 and beyond. This is spread across a variety of markets and includes both rubber and plastic components. The Directors therefore remain confident about the future of the company.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the execution of the company's strategy are subject to a variety of risks. The key business risks and uncertainties affecting the company at the current time are as follows.

Raw material price increases - The company retains a level of expertise in sourcing both thermoplastic and thermoset rubber. It is company policy to ensure materials have at least two sources and where possible an alternative approved by the customer.

Automotive market volumes - Fluctuations in automotive markets and the uncertainty surrounding the transition to EVs mean both demand and timescales may vary.

Battery Technology - Developments in the industry are driving a gradual reduction in demand for Lead Acid batteries although they remain the most popular product in the market. However, in 2024 sales to the industrial battery market have continued to increase.

**STRATEGIC REPORT**  
**For The Year Ended 31 December 2023**

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**PRINCIPAL RISKS AND UNCERTAINTIES - continued**

The company has the following policies to minimise financial risk:

Financial instruments - The company does not enter into trading of a speculative nature in respect of financial instruments.

Credit risk - The management has a policy in place with credit limits operated per customer. Immediate action is taken when debts become overdue against agreed terms.

Energy Costs - Future energy pricing continues to be a risk to the business. The business therefore has monthly reviews with our energy broker to understand the market position thus mitigating any long-term impact.

Cashflow and liquidity risk - The company ensures that there are always sufficient levels of cash and cash equivalents to meet all financial obligations.

Foreign Currency: The company sells in Sterling, Euro and US Dollar and exchange rate fluctuation is reviewed with customers where necessary.

**FINANCIAL KEY PERFORMANCE INDICATORS**

The company's basic KPI performance for the period is set out below:

	2023	2022
	£	£
Turnover	£9m	£8.2m
Operating margin	5.17%	4.40%

**STRATEGIC REPORT  
For The Year Ended 31 December 2023**

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**OTHER**

The directors have acted in the way they consider, in good faith, promotes the success of the company for the benefit of its members, and in doing so have given regard to (amongst other matters):

**Customers:**

A close working relationship with our customers helps us to better understand their needs and provide suitable and innovative products to meet their needs. Our experienced and talented team is dedicated to making sure that we constantly improve what we do, providing confidence that we continue to exceed in the areas of quality, cost and delivery. It is our employee experience, expertise and flexibility that gives both new and existing customers confidence in Burnetts.

**Suppliers:**

The company has long-standing relationships with suppliers. Interaction with suppliers and treating suppliers fairly allows us to reduce risk in our supply chain whilst benefiting from cost efficiencies and positive environmental outcomes.

**Community:**

The company seeks to minimise its impact on the environment. The company is part of the Climate Change Agreement as run by the UK Environmental Agency and also purchases electricity via a green energy contract that guarantees that 100% of electricity consumed is generated from renewable wind sources. Finally, the company is accredited to ISO 14001 which is an international standard that specifies requirements for an effective environmental management system (EMS).

**Employees**

The company engages with employees via a variety of information and consultation forums. Information is shared through a newsletter and monthly briefings are held based on information briefed at the monthly senior management meetings.

Directors attend the site on a daily basis and there is constant employee engagement across the company. The senior leaders are kept fully informed and engaged in the business through daily meetings and a monthly management report which forms an integral part of the IATF16949 Integrated Management System (IMS).

The Directors consider employee engagement as fundamental to creating and maintaining an inclusive culture and a positive working environment. The company encourages a variety of social activities both to enhance social interaction and promote fitness.

As a board of directors, it is our intention to act responsibly and ensure that management operates the business in an ethical manner, maintaining exemplary standards of business conduct. It is our continuing intention to enhance our reputation further by the delivery of our business plan which reflects our intentions and responsible behaviour approach.

**ON BEHALF OF THE BOARD:**

*D. Murphy*

.....  
D F Murphy - Director

Date: 16/09/2024  
.....

**BURNETTS MANUFACTURING LIMITED (REGISTERED NUMBER: 05800783)**

**REPORT OF THE DIRECTORS  
For The Year Ended 31 December 2023**

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The directors present their report with the financial statements of the company for the year ended 31 December 2023.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the manufacturing of rubber and plastic products and components.

**DIVIDENDS**

A dividend of £100,000 (2022: £nil) was declared and paid during the year.

**RESULTS FOR THE YEAR**

The company profit for the year, before tax was £466,442 (2022: £361,035).

**FUTURE DEVELOPMENTS**

The company continues to trade successfully and this trend is expected to carry on for the foreseeable future.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2023 to the date of this report.

D F Murphy  
A Murphy  
B B Murphy

**FINANCIAL INSTRUMENTS**

The company's principal financial instruments comprise bank balances, trade creditors, and trade debtors. The main purpose of these instruments is to maintain the company's working capital requirements.

In respect of bank balances the liquidity risk is managed by regular monitoring of expected and actual cash in and out flows, whilst maintaining a balance between available funds in the current and deposit accounts.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

**BURNETTS MANUFACTURING LIMITED (REGISTERED NUMBER: 05800783)**

**REPORT OF THE DIRECTORS  
For The Year Ended 31 December 2023**

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

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

**AUDITORS**

The auditors, TC Group, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

*D. Murphy*

.....  
D F Murphy - Director

Date: 16/09/2024  
.....

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
BURNETTS MANUFACTURING LIMITED**

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**Qualified opinion**

We have audited the financial statements of Burnetts Manufacturing Limited (the 'company') for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, Balance Sheet, 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, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 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 qualified opinion**

We were not appointed as auditor of the company until after 31 December 2022 and thus did not observe the counting of physical inventories at the beginning of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities of £712,356 held on the balance sheet at 31 December 2022. Since opening inventories enter into the determination of the financial performance and cash flows, we were unable to determine whether adjustments might have been necessary in respect of the profit for the year reported in the income statement.

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 qualified opinion.

**Conclusions relating to going concern**

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

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
BURNETTS MANUFACTURING LIMITED**

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**Other information**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the inventory quantities of £712,356 held at 31 December 2022. We have concluded that where the other information refers to the inventory balance or related balances such as cost of sales, it may be materially misstated for the same reason.

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

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

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

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

Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

Arising solely from the limitation on the scope of our work relating to inventory as at 31 December 2022, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

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

**Responsibilities of directors**

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
BURNETTS MANUFACTURING LIMITED**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. 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 that are applicable to the company in the context of the sector and countries in which it operates and determined that the most significant frameworks which are directly relevant so specific assertions in the financial statements are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK.

We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes, legal correspondence, and discussions with those charged with governance.

We assess the susceptibility of the company financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulation identified in the paragraphs above.

We also performed audit work over the risk of management 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 bias.

**Other matters**

The corresponding figures are unaudited for the year ended 31 December 2022.

**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.

*Emma Jones*

Emma Jones FCCA (Senior Statutory Auditor)  
for and on behalf of TC Group  
1 Rushmills  
Bedford Road  
Northampton  
Northamptonshire  
NN4 7YB

Date: 16/09/2024

**BURNETTS MANUFACTURING LIMITED (REGISTERED NUMBER: 05800783)**

**STATEMENT OF COMPREHENSIVE  
INCOME  
For The Year Ended 31 December 2023**

	Notes	2023 £	2022 £
<b>TURNOVER</b>	3	9,022,953	8,199,914
Cost of sales		6,632,672	6,131,909
<b>GROSS PROFIT</b>		2,390,281	2,068,005
Administrative expenses		1,905,587	1,652,440
		484,694	415,565
Other operating income		-	7,148
		484,694	422,713
Interest receivable and similar income		54,115	23,887
		538,809	446,600
Interest payable and similar expenses	5	72,367	85,565
<b>PROFIT BEFORE TAXATION</b>	6	466,442	361,035
Tax on profit	7	146,818	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		319,624	361,035
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		319,624	361,035

The notes form part of these financial statements

**BURNETTS MANUFACTURING LIMITED (REGISTERED NUMBER: 05800783)**

**BALANCE SHEET  
31 December 2023**

	Notes	2023		2022	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9		2,290,989		2,522,514
<b>CURRENT ASSETS</b>					
Stocks	10	837,164		712,356	
Debtors	11	3,308,218		2,919,151	
Cash at bank and in hand		176,652		77,503	
		<u>4,322,034</u>		<u>3,709,010</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>2,305,826</u>		<u>1,914,214</u>	
<b>NET CURRENT ASSETS</b>			<u>2,016,208</u>		<u>1,794,796</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,307,197</u>		<u>4,317,310</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		(499,374)		(875,929)
<b>PROVISIONS FOR LIABILITIES</b>	17		(403,315)		(256,497)
<b>NET ASSETS</b>			<u>3,404,508</u>		<u>3,184,884</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		100		100
Share premium			49,900		49,900
Retained earnings			<u>3,354,508</u>		<u>3,134,884</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>3,404,508</u>		<u>3,184,884</u>

The financial statements were approved by the Board of Directors and authorised for issue on 16/09/2024 and were signed on its behalf by:

*D. Murphy*

.....  
D F Murphy - Director

The notes form part of these financial statements

BURNETTS MANUFACTURING LIMITED (REGISTERED NUMBER: 05800783)

STATEMENT OF CHANGES IN EQUITY  
For The Year Ended 31 December 2023

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	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1 January 2022</b>	100	2,773,849	49,900	2,823,849
<b>Changes in equity</b>				
Profit for the year	-	361,035	-	361,035
Total comprehensive income	-	361,035	-	361,035
<b>Balance at 31 December 2022</b>	100	3,134,884	49,900	3,184,884
<b>Changes in equity</b>				
Profit for the year	-	319,624	-	319,624
Total comprehensive income	-	319,624	-	319,624
Dividends	-	(100,000)	-	(100,000)
<b>Balance at 31 December 2023</b>	100	3,354,508	49,900	3,404,508

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The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended 31 December 2023**

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1. **STATUTORY INFORMATION**

Burnetts Manufacturing 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.

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.

There were no material departures from that standard.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemption 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.

**Significant judgements and estimates**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Turnover**

Turnover represents net invoiced sales of services and goods, excluding value added tax.

In respect of contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- Straight line between 3 to 15 years
Plant and machinery	- Straight line between 2 to 15 years
Fixtures and fittings	- Straight line between 2 to 15 years
Motor vehicles	- Straight line between 2 to 8 years
Computer equipment	- Straight line between 2 to 10 years

**Stocks**

Stocks are 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.

**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 balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 December 2023

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2. **ACCOUNTING POLICIES - continued**

**Deferred tax**

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

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

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

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**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.

**Financial instruments**

Basic financial assets, including trade and other receivables, cash and bank balances and investment, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

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.

**BURNETTS MANUFACTURING LIMITED (REGISTERED NUMBER: 05800783)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 December 2023**

**2. ACCOUNTING POLICIES - continued**

**Going concern**

As at the point of authorising the accounts, and for the foreseeable future, the directors consider the going concern assumption to still be appropriate. The directors acknowledge that given the rapidly changing business and social environment, there are likely to be significant unknown factors which may present themselves. Such factors are considered by the directors to represent a general inherent level of risk in relation to the going concern assumption albeit not quantifiable at this time.

**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:

	2023	2022
	£	£
United Kingdom	5,071,062	3,797,561
Europe	2,771,130	3,203,278
Rest of world	1,180,761	1,199,075
	<u>9,022,953</u>	<u>8,199,914</u>

**4. EMPLOYEES AND DIRECTORS**

	2023	2022
	£	£
Direct labour	1,875,046	1,782,982
Wages and salaries	447,271	457,244
Social security costs	53,608	58,822
Other pension costs	10,784	10,396
	<u>2,386,709</u>	<u>2,309,444</u>

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

	2023	2022
Administration and sales	8	9
Direct labour	57	52
Engineering	4	4
Indirect labour	11	13
Production office	4	4
Quality	4	2
Technical	2	2
	<u>90</u>	<u>86</u>

**BURNETTS MANUFACTURING LIMITED (REGISTERED NUMBER: 05800783)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 December 2023**

	2023	2022
	£	£
Directors' remuneration	<u>211,461</u>	<u>237,269</u>
Information regarding the highest paid director is as follows:		
	2023	2022
	£	£
Emoluments etc	<u>123,490</u>	<u>119,971</u>
<b>5. INTEREST PAYABLE AND SIMILAR EXPENSES</b>		
	2023	2022
	£	£
Bank interest	<u>72,367</u>	<u>85,565</u>
<b>6. PROFIT BEFORE TAXATION</b>		
	2023	2022
	£	£
Hire of plant and machinery	21,062	10,303
Depreciation - owned assets	356,319	305,182
Depreciation - financed assets	24,647	24,647
Loss on disposal of fixed assets	26,921	-
Foreign exchange differences	200	4,804
Auditors' remuneration	<u>13,750</u>	<u>-</u>
<b>7. TAXATION</b>		
<b>Analysis of the tax charge</b>		
The tax charge on the profit for the year was as follows:		
	2023	2022
	£	£
Deferred tax	<u>146,818</u>	<u>-</u>
Tax on profit	<u>146,818</u>	<u>-</u>

**BURNETTS MANUFACTURING LIMITED (REGISTERED NUMBER: 05800783)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 December 2023**

**7. TAXATION - continued**

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

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

	2023	2022
	£	£
Profit before tax	<u>466,442</u>	<u>361,035</u>
Profit multiplied by the standard rate of corporation tax in the UK of 23.500% (2022 - 19%)	109,614	68,597
Effects of:		
Expenses not deductible for tax purposes	15,958	4,499
Capital allowances in excess of depreciation	-	(20,477)
Depreciation in excess of capital allowances	43,462	-
Utilisation of tax losses	(66,685)	(52,619)
R&D enhanced deduction	(102,349)	-
Deferred tax movement	<u>146,818</u>	<u>-</u>
Total tax charge	<u>146,818</u>	<u>-</u>

**8. DIVIDENDS**

	2023	2022
	£	£
Ordinary shares shares of £1 each		
Final	<u>100,000</u>	<u>-</u>

**9. TANGIBLE FIXED ASSETS**

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 January 2023	73,021	4,242,033	438,468
Additions	-	134,314	14,640
Disposals	(3,615)	(103,065)	-
At 31 December 2023	<u>69,406</u>	<u>4,273,282</u>	<u>453,108</u>
<b>DEPRECIATION</b>			
At 1 January 2023	68,249	2,095,541	291,314
Charge for year	1,965	280,153	24,422
Eliminated on disposal	(3,615)	(65,407)	-
At 31 December 2023	<u>66,599</u>	<u>2,310,287</u>	<u>315,736</u>
<b>NET BOOK VALUE</b>			
At 31 December 2023	<u>2,807</u>	<u>1,962,995</u>	<u>137,372</u>
At 31 December 2022	<u>4,772</u>	<u>2,146,492</u>	<u>147,154</u>

**BURNETTS MANUFACTURING LIMITED (REGISTERED NUMBER: 05800783)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 December 2023**

**9. TANGIBLE FIXED ASSETS - continued**

	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2023	237,478	246,148	5,237,148
Additions	135,180	23,920	308,054
Disposals	(185,496)	(22,678)	(314,854)
At 31 December 2023	<u>187,162</u>	<u>247,390</u>	<u>5,230,348</u>
<b>DEPRECIATION</b>			
At 1 January 2023	61,654	197,876	2,714,634
Charge for year	45,838	28,588	380,966
Eliminated on disposal	(65,114)	(22,105)	(156,241)
At 31 December 2023	<u>42,378</u>	<u>204,359</u>	<u>2,939,359</u>
<b>NET BOOK VALUE</b>			
At 31 December 2023	<u>144,784</u>	<u>43,031</u>	<u>2,290,989</u>
At 31 December 2022	<u>175,824</u>	<u>48,272</u>	<u>2,522,514</u>

Motor vehicles with net book value of £136,232 (2022: £175,824) were acquired under hire purchase contracts. The depreciation charge in respect of such assets amounted to £18,547 (2022: £32,107) for the period.

The net book value of tangible assets (excluding vehicles) includes £219,435 (2022: £244,082) in respect of assets held under finance leases or hire purchase contracts. The depreciation in respect of assets amounted to £24,647 (2022: £24,647) for the period.

**10. STOCKS**

	2023 £	2022 £
Stocks	766,236	712,356
Work-in-progress	70,928	-
	<u>837,164</u>	<u>712,356</u>

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 £
Trade debtors	1,929,214	1,799,130
Amounts owed by group undertakings	285,440	385,340
Other debtors	619,761	403,693
Directors' current accounts	60,458	-
Tax	-	49,128
VAT	15,171	-
Prepayments	398,174	281,860
	<u>3,308,218</u>	<u>2,919,151</u>

**BURNETTS MANUFACTURING LIMITED (REGISTERED NUMBER: 05800783)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 December 2023**

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Bank loans and overdrafts (see note 14)	312,199	308,711
Hire purchase contracts (see note 15)	85,874	98,465
Trade creditors	1,448,698	1,075,062
Social security and other taxes	48,762	56,030
Pension control	9,794	10,640
VAT	-	2,676
Other creditors	96,638	95,088
Invoice discounting facility	144,875	133,724
Directors' current accounts	-	2,257
Accrued expenses	158,986	131,561
	<u>2,305,826</u>	<u>1,914,214</u>

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

	2023	2022
	£	£
Bank loans (see note 14)	384,486	688,017
Hire purchase contracts (see note 15)	114,888	187,912
	<u>499,374</u>	<u>875,929</u>

**14. LOANS**

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>312,199</u>	<u>308,711</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>384,486</u>	<u>688,017</u>

**15. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	2023	2022
	£	£
		Hire purchase contracts
Net obligations repayable:		
Within one year	85,874	98,465
Between one and five years	114,888	187,912
	<u>200,762</u>	<u>286,377</u>

**BURNETTS MANUFACTURING LIMITED (REGISTERED NUMBER: 05800783)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
For The Year Ended 31 December 2023

**15. LEASING AGREEMENTS - continued**

	Non-cancellable operating leases	
	2023	2022
	£	£
Within one year	249,548	228,000
Between one and five years	988,591	912,000
In more than five years	2,228,647	2,451,000
	<u>3,466,786</u>	<u>3,591,000</u>

**16. SECURED DEBTS**

The following secured debts are included within creditors:

	2023	2022
	£	£
Bank loans	696,685	996,728
Invoice discounting facility	144,875	133,724
	<u>841,560</u>	<u>1,130,452</u>

Royal Bank of Scotland PLC holds fixed and floating charges over the assets within the group, in relation to loans and an invoice discounting facility in Burnetts Manufacturing Limited.

**17. PROVISIONS FOR LIABILITIES**

	2023	2022
	£	£
Deferred tax	<u>403,315</u>	<u>256,497</u>
		Deferred tax
		£
Balance at 1 January 2023		256,497
Charge to Statement of Comprehensive Income during year		146,818
Movements in P&L		<u>403,315</u>
Balance at 31 December 2023		<u>403,315</u>

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and full paid:

Number:	Class:	Nominal value:	2023	2022
			£	£
52	Ordinary A	£1	52	52
30	Ordinary B	£1	30	30
2	Ordinary C	£1	2	2
2	Ordinary D	£1	2	2
9	Ordinary E	£1	9	9
5	Ordinary F	£1	5	5
			<u>100</u>	<u>100</u>

**BURNETTS MANUFACTURING LIMITED (REGISTERED NUMBER: 05800783)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 December 2023**

**19. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 31 December 2023 and 31 December 2022:

	2023 £	2022 £
<b>A Murphy</b>		
Balance outstanding at start of year	(2,257)	116,240
Amounts advanced	57,791	-
Amounts repaid	-	(118,497)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>55,534</u>	<u>(2,257)</u>
<b>D F Murphy</b>		
Balance outstanding at start of year	-	34,923
Amounts advanced	4,924	-
Amounts repaid	-	(34,923)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>4,924</u>	<u>-</u>

**20. 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.

The remuneration paid to key management personnel during the year was £385,683.

**21. ULTIMATE CONTROLLING PARTY**

The immediate parent company is Burnetts Holdings Limited.

The ultimate controlling party is Alan Murphy by his virtue of his majority shareholding in Burnetts Holdings Limited.