

POWER JACKS LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021**

POWER JACKS LIMITED

COMPANY INFORMATION

Directors

A M Bultitude
B C Bultitude
J Bultitude
A Crossland (appointed 1 September 2020)
G A Fisher (appointed 2 December 2020)
A J Greig
W B Hamper

Registered number

SC103849

Registered office

Kingshill Commercial Park
Westhill
Aberdeen
AB32 6FP

POWER JACKS LIMITED

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POWER JACKS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 MARCH 2021

The directors present their report and the financial statements for the year ended 30 March 2021.

Directors

The directors who served during the year were:

A M Bultitude
B C Bultitude
J Bultitude
A Crossland (appointed 1 September 2020)
G A Fisher (appointed 2 December 2020)
A J Greig
W B Hamper

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Anderson Anderson & Brown Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

B C Bultitude

Director

Date: 17 November 2021

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 MARCH 2021**

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

POWER JACKS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POWER JACKS LIMITED

Opinion

We have audited the financial statements of Power Jacks Limited (the 'Company') for the year ended 30 March 2021, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, 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 30 March 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
POWER JACKS LIMITED (CONTINUED)**

Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
POWER JACKS LIMITED (CONTINUED)**

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 an Auditors' 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.

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 considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing and completeness of revenue recognition, inappropriate application of key judgements and estimates and management override of controls to manipulate the Company's key performance indicators to meet targets.

We discussed these risks with client management, designed audit procedures to test the timing and completeness of revenue and costs, tested a sample of journals to confirm they were appropriate and reviewed areas of judgement for indicators of management bias to address these risks.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' report.

Other matters

The financial statements of Power Jacks Limited for the year ended 30 March 2020 were not subject to an audit as, in the opinion of the directors, the company was exempt from audit under the provisions of section 477 of the Companies Act 2006.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
POWER JACKS LIMITED (CONTINUED)**

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 Auditors' 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.

Christopher Masson (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown Audit LLP

Statutory Auditor

Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU

18 November 2021

POWER JACKS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 MARCH 2021**

	Note	2021 £	2020 £
Turnover		9,054,708	6,638,572
Cost of sales		(6,113,213)	(4,502,424)
Gross profit		<u>2,941,495</u>	<u>2,136,148</u>
Distribution costs		(507,901)	(657,105)
Administrative expenses		(1,648,895)	(1,662,856)
Other operating income		171,344	13,482
Operating profit/(loss)		<u>956,043</u>	<u>(170,331)</u>
Interest receivable and similar income		47	375
Interest payable and similar expenses		(126,644)	(109,751)
Profit/(loss) before tax		<u>829,446</u>	<u>(279,707)</u>
Tax on profit/(loss)	4	405,726	226,837
Profit/(loss) for the financial year		<u><u>1,235,172</u></u>	<u><u>(52,870)</u></u>
Other comprehensive income for the year			
Gains/(losses) on defined benefit pension scheme	18	1,014,000	(300,000)
Other comprehensive income for the year		<u>1,014,000</u>	<u>(300,000)</u>
Total comprehensive income for the year		<u><u>2,249,172</u></u>	<u><u>(352,870)</u></u>

The notes on pages 11 to 27 form part of these financial statements.

POWER JACKS LIMITED

REGISTERED NUMBER: SC103849

**BALANCE SHEET
AS AT 30 MARCH 2021**

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	5	44,754	104,114
Tangible assets	6	659,506	752,924
Investments	7	306,321	318,321
		<u>1,010,581</u>	<u>1,175,359</u>
Current assets			
Stocks	8	1,423,785	1,170,830
Debtors: amounts falling due within one year	9	3,161,604	2,197,196
Cash at bank and in hand	10	467,467	26,614
		<u>5,052,856</u>	<u>3,394,640</u>
Creditors: amounts falling due within one year	11	(2,261,770)	(2,586,376)
		<u>2,791,086</u>	<u>808,264</u>
Net current assets			
		<u>3,801,667</u>	<u>1,983,623</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	12	(105,086)	(130,214)
Pension liability	18	(1,992,000)	(2,898,000)
		<u>1,704,581</u>	<u>(1,044,591)</u>
Net assets/(liabilities)			
Capital and reserves			
Called up share capital	16	66,667	50,000
Share premium account		483,333	-
Other reserves		12,500	12,500
Profit and loss account		1,142,081	(1,107,091)
		<u>1,704,581</u>	<u>(1,044,591)</u>

POWER JACKS LIMITED

REGISTERED NUMBER: SC103849

**BALANCE SHEET (CONTINUED)
AS AT 30 MARCH 2021**

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

B C Bultitude

Director

Date: 17 November 2021

The notes on pages 11 to 27 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 MARCH 2021**

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2019	50,000	-	12,500	(754,221)	(691,721)
Comprehensive income for the period					
Loss for the period	-	-	-	(52,870)	(52,870)
Actuarial losses on pension scheme	-	-	-	(300,000)	(300,000)
At 31 March 2020	50,000	-	12,500	(1,107,091)	(1,044,591)
Comprehensive income for the year					
Profit for the year	-	-	-	1,235,172	1,235,172
Actuarial gains on pension scheme	-	-	-	1,014,000	1,014,000
Shares issued during the year	16,667	483,333	-	-	500,000
At 30 March 2021	<u>66,667</u>	<u>483,333</u>	<u>12,500</u>	<u>1,142,081</u>	<u>1,704,581</u>

The notes on pages 11 to 27 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021**

1. General information

Power Jacks Limited is a private company limited by shares and is registered and incorporated in Scotland. The registered office is Kingshill Commercial Park, Westhill, Aberdeen, AB32 6FP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under FRS 102 Section 1A.

The following principal accounting policies have been applied:

2.2 Going concern

The directors, having prepared financial projections for a period of 12 months from the approval of these financial statements have concluded that the company has adequate working capital to execute its operations over this period.

Following a number of challenging periods for the company, a renewed business strategy along with investment in the company during the year has resulted in an improved trading performance which has continued since the year end. Forward projections, underpinned by a strong order book, prepared by management show this improved trading is expected to continue going forward. Management acknowledge that the projections are subject to certain sensitivities and the current market remains volatile but are satisfied that the reserves held in the company due to improved trading and investment will allow the company to withstand any short to medium term downturns.

Given the circumstance set out, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Exemption from preparing consolidated financial statements

The Company, and the group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and group are considered eligible for the exemption to prepare consolidated accounts.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

2. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software	-	5	years
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2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- 15 years straight line
Plant and machinery	- 10%-33% straight line
Motor vehicles	- 20%-25% straight line
Fixtures and fittings	- 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021**

2. Accounting policies (continued)

2.18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.20 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 42 (2020 - 46).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

4. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	-	(109,304)
Adjustments in respect of previous periods	-	(117,533)
	<u>-</u>	<u>(226,837)</u>
Total current tax	<u>-</u>	<u>(226,837)</u>
Deferred tax		
Adjustments in respect of previous periods	(464,804)	-
Origination and reversal of timing differences	59,078	-
Total deferred tax	<u>(405,726)</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>(405,726)</u>	<u>(226,837)</u>

The deferred tax balance includes amounts which were not recognised in prior periods.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

5. Intangible assets

	Software £
Cost	
At 31 March 2020	172,094
Additions	10,258
Disposals	(63,268)
Transfers from tangible fixed assets	159,621
	<hr/>
At 30 March 2021	278,705
	<hr/>
Amortisation	
At 31 March 2020	67,980
Charge for the year on owned assets	29,938
On disposals	(23,588)
Transfers from tangible fixed assets	159,621
	<hr/>
At 30 March 2021	233,951
	<hr/>
Net book value	
At 30 March 2021	<u>44,754</u>
At 30 March 2020	<u>104,114</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

6. Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 31 March 2020	200,000	3,276,332	340,383	197,791	4,014,506
Additions	11,655	63,054	-	-	74,709
Disposals	-	(1,310,061)	(63,145)	(197,791)	(1,570,997)
Transfers to intangible fixed assets	-	(159,621)	-	-	(159,621)
At 30 March 2021	<u>211,655</u>	<u>1,869,704</u>	<u>277,238</u>	<u>-</u>	<u>2,358,597</u>
Depreciation					
At 31 March 2020	18,887	2,792,466	325,259	124,970	3,261,582
Charge for the year on owned assets	14,957	55,040	840	9,900	80,737
Charge for the year on financed assets	-	29,292	-	-	29,292
Disposals	-	(1,328,188)	(49,841)	(134,870)	(1,512,899)
Transfers to intangible fixed assets	-	(159,621)	-	-	(159,621)
At 30 March 2021	<u>33,844</u>	<u>1,388,989</u>	<u>276,258</u>	<u>-</u>	<u>1,699,091</u>
Net book value					
At 30 March 2021	<u>177,811</u>	<u>480,715</u>	<u>980</u>	<u>-</u>	<u>659,506</u>
At 30 March 2020	<u>181,113</u>	<u>483,866</u>	<u>15,124</u>	<u>72,821</u>	<u>752,924</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Plant and machinery	59,178	78,958
	<u>59,178</u>	<u>78,958</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

7. Fixed asset investments

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
Cost or valuation			
At 31 March 2020	12,000	306,321	318,321
Amounts written off	(12,000)	-	(12,000)
At 30 March 2021	-	306,321	306,321
Net book value			
At 30 March 2021	-	306,321	306,321
At 30 March 2020	12,000	306,321	318,321

8. Stocks

	2021 £	2020 £
Raw materials and consumables	231,988	173,071
Work in progress (goods to be sold)	508,142	259,143
Finished goods and goods for resale	683,655	738,616
	<u>1,423,785</u>	<u>1,170,830</u>

9. Debtors

	2021 £	2020 £
Trade debtors	1,949,372	1,425,582
Other debtors	534,483	452,775
Prepayments and accrued income	120,957	164,555
Tax recoverable	151,066	154,284
Deferred taxation	405,726	-
	<u>3,161,604</u>	<u>2,197,196</u>

POWER JACKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021**

10. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	467,467	26,614
Less: bank overdrafts	-	(60,942)
	<u>467,467</u>	<u>(34,328)</u>

11. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	-	60,942
Bank loans	8,330	-
Other loans	300,000	-
Trade creditors	1,029,939	1,028,405
Other taxation and social security	290,127	124,202
Obligations under finance lease and hire purchase contracts	30,256	162,545
Advance under invoice discounting facility	316,529	321,772
Other creditors	85,093	585,795
Accruals and deferred income	201,496	302,715
	<u>2,261,770</u>	<u>2,586,376</u>

12. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	41,670	-
Net obligations under finance leases and hire purchase contracts	34,113	40,061
Other creditors	29,303	90,153
	<u>105,086</u>	<u>130,214</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

13. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	8,330	-
Other loans	300,000	-
	<u>308,330</u>	<u>-</u>
Amounts falling due 1-2 years		
Bank loans	9,996	-
	<u>9,996</u>	<u>-</u>
Amounts falling due 2-5 years		
Bank loans	29,988	-
	<u>29,988</u>	<u>-</u>
Amounts falling due after more than 5 years		
Bank loans	1,686	-
	<u>1,686</u>	<u>-</u>
	<u>350,000</u>	<u>-</u>

The bank loan bears interest of 2.5% and repayment commences on 1 June 2021. Repayment of this loan is over 60 equal monthly installments.

The bank holds a floating charge over the assets and undertakings of the company.

Other loans comprise amounts advanced by shareholders in the year. The loan bears interest at 8% commencing on 1 March 2021. The loan was settled in full following the year end.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

14. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	153,286	162,545
Between 1-5 years	41,677	40,061
	<u>194,963</u>	<u>202,606</u>

15. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>467,467</u>	<u>306,321</u>

Financial assets measured at fair value through profit or loss comprise cash at bank.

16. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
25,001 (2020 - 25,001) Ordinary A shares shares of £1.00 each	25,001	25,001
29,167 (2020 - 12,500) Ordinary B shares shares of £1.00 each	29,167	12,500
12,499 (2020 - 12,499) Ordinary C shares shares of £1.00 each	12,499	12,499
	<u>66,667</u>	<u>50,000</u>

On 2 December 2020 the company allotted 16,667 Ordinary B £1 shares for a total consideration of £500,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

17. Capital commitments

At 30 March 2021 the Company had capital commitments as follows:

	2021 £	2020 £
Contracted for but not provided in these financial statements	25,000	-
	<u>25,000</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021**

18. Retirement benefit schemes

Defined contribution schemes

The charge to profit or loss in respect of defined contribution schemes was £104,531 (2020 - £102,225).

The company operates a defined contribution pension scheme for all qualifying employees.

Defined benefit schemes

The company operates a contracted-out defined benefit pension scheme in the UK for full time permanent employees. The funds of the scheme are managed by an insurance company and are independent of the company's finances. With effect from 31 March 2008 the scheme closed to future accrual. Benefits on retirement for active members at the date of closure will continue to be based on their final pensionable salary at retirement date, or earlier if leaving service.

The most recent full actuarial valuation was on 31 December 2017 and updated on 31 March 2021 by a qualified independent actuary.

Reconciliation of present value of plan liabilities:

	2021 £	2020 £
At the beginning of the year	9,924,200	10,562,200
Interest cost	224,000	254,000
Actuarial gains/losses	31,000	(528,000)
Benefits paid	(358,000)	(364,000)
	<u>9,821,200</u>	<u>9,924,200</u>

Reconciliation of present value of plan assets:

	2021 £	2020 £
At the beginning of the year	7,026,200	7,972,200
Contributions by the employer	44,000	54,000
Benefits paid	(358,000)	(364,000)
Scheme administrative cost	(85,000)	-
Interest income	157,000	192,000
Return on plan assets (excluding amounts included in net interest)	1,045,000	(828,000)
	<u>7,829,200</u>	<u>7,026,200</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

18. Retirement benefit schemes (continued)

Composition of plan assets:

	2021 £	2020 £
Equity instruments	2,656,000	4,476,000
Bonds	2,486,000	1,208,000
Cash & other	257,200	1,342,200
Multi-Asset	2,430,000	-
Total plan assets	<u>7,829,200</u>	<u>7,026,200</u>

	2021 £	2020 £
Fair value of plan assets	7,829,200	7,026,200
Present value of plan liabilities	(9,821,200)	(9,924,200)
Net pension scheme liability	<u>(1,992,000)</u>	<u>(2,898,000)</u>

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

The amounts recognised in profit or loss are as follows:

	2021 £	2020 £
Net interest on net defined benefit liability/(asset)	67,000	62,000
Service cost - administrative cost	85,000	-
Total	<u>152,000</u>	<u>62,000</u>

The amounts recognised in other comprehensive income are as follows:

Return on scheme assets excluding interest income	(1,045,000)	828,000
Less: calculated interest element	-	-
Actuarial changes related to obligations	31,000	(528,000)
Total	<u>(1,014,000)</u>	<u>300,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021**

18. Retirement benefit schemes (continued)

Principal actuarial assumptions at the Balance sheet date:

	2021 %	2020 %
Discount rate	2.05%	2.30%
Expected rate of increase of pensions payment	2.90%	2.50%
Expected rate of salary increases	2.00%	2.00%
Mortality rates		
- Males retiring today	19.3 years	20.0 years
- Females retiring today	21.2 years	21.9 years
- Males retiring in 20 years	20.3 years	21 years
- Females retiring in 20 years	<u>22.4 years</u>	<u>23.1 years</u>

19. Commitments under operating leases

At 30 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Within one year	525,861	561,325
Between one and five years	1,996,905	2,000,309
Later than 5 years	1,784,244	2,107,878
	<u>4,307,010</u>	<u>4,669,512</u>

20. Related party transactions

Transactions

During the year the company advanced funds of £9,900 (2020 - £24,900) to a director. At the year end the director was due the company £278,637 (2020 - £268,737).

At the year end another director was due the company £30,000 (2020 - £30,000).

The balances are not subject to interest and are repayable on demand.

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