

Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 30 September 2021
for
Rotalink Limited

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for the Year Ended 30 September 2021**

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Rotalink Limited
Company Information
for the Year Ended 30 September 2021

DIRECTORS:	M E Hazell Ms O S Hazell Ms C Nichol
SECRETARY:	C Bowden
REGISTERED OFFICE:	Cropmead Crewkerne Somerset TA18 7HQ
REGISTERED NUMBER:	00313872
SOLICITORS:	Osborne Clarke & Company 30 Queen Charlotte Street Bristol BS99 7QQ

Strategic Report
for the Year Ended 30 September 2021

The directors present their strategic report for the year ended 30 September 2021.

REVIEW OF BUSINESS

The year was heavily impacted upon by Covid 19. Our key target customers are global businesses many of which have adopted strategic plans based upon the need to protect their staff. Home working has been abundant. We responded by focusing upon an opportunity to improve our product catalogue and extend our capability to provide customer service. There has also been an extensive upgrade of our manufacturing capability. The market is now moving on having largely managed the pandemic. It is apparent that as a result of events on line communications have developed and improved establishing a new and effective business style.

The business continues to review processes and overheads and reports the following KPI's for the year ended 30 September 2021:

	£'000000	£'000000	2021	2020
Turnover			10,321	9,202
Gross margin			47.5%	44.6%
EBITDA			4,703	2,063
EBITDA (excluding fair value change of investments)			1,595	562

PRINCIPAL RISKS AND UNCERTAINTIES

We are focused upon the establishment and growth of the volumes of business available. In order to support this plan we are extending our sales and support teams. The cost of providing a strategic response to the impact of Covid 19 will be largely funded from income generated by our investment of retained profits. The great unknown and therefore threat arises from the impact on market size of inflation which now exists and is predicted to increase.

ON BEHALF OF THE BOARD:

M E Hazell - Director

27 June 2022

Report of the Directors
for the Year Ended 30 September 2021

The directors present their report with the financial statements of the company for the year ended 30 September 2021.

DIVIDENDS

An interim dividend was paid on 22 December 2020 for £13.79 per share. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 September 2021 was £1,000,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2020 to the date of this report.

M E Hazell
Ms O S Hazell
Ms C Nichol

Other changes in directors holding office are as follows:

P Needham - resigned 6 January 2021

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). 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.

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, Monahans, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

M E Hazell - Director

27 June 2022

Report of the Independent Auditors to the Members of
Rotalink Limited

Opinion

We have audited the financial statements of Rotalink Limited (the 'company') for the year ended 30 September 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

Matters on which we are required to report by exception

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

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

Report of the Independent Auditors to the Members of
Rotalink Limited

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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.

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:

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety, employment law and company legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements of the Company. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the audit engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Understanding of management's internal controls designed to prevent and detect irregularities, and fraud;
- Reviewing the Company's legal costs to check for non-compliance with laws and regulations and fraud;
- Review of tax compliance with the involvement of our tax specialists in the audit;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing of expenses;
- Testing transactions entered into outside of the normal course of the Company's business; and
- Identifying and testing journal entries, in particular any journal entries with fraud characteristics such as journals with round numbers.

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

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

Report of the Independent Auditors to the Members of
Rotalink 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.

David Black (Senior Statutory Auditor)
for and on behalf of Monahans
Statutory Auditors
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

27 June 2022

Income Statement
for the Year Ended 30 September 2021

	Notes	2021 £	£	2020 £	£
TURNOVER	4		10,321,268		9,201,931
Raw materials and consumables		5,235,508		4,861,876	
Other external expenses		<u>122,326</u>		<u>234,386</u>	
			5,357,834		5,096,262
			<u>4,963,434</u>		<u>4,105,669</u>
Staff costs	5	2,132,011		2,015,584	
Depreciation		293,588		311,614	
Other operating expenses		<u>1,540,097</u>		<u>1,314,868</u>	
			3,965,696		3,642,066
OPERATING PROFIT	6		<u>997,738</u>		<u>463,603</u>
Profit/loss on sale of investments	7		31,751		(459,756)
Fair value adjustment	7		<u>3,108,323</u>		<u>1,500,369</u>
			4,137,812		1,504,216
Income from investments		271,735		246,946	
Interest receivable and similar income		<u>-</u>		<u>729</u>	
			271,735		247,675
PROFIT BEFORE TAXATION			<u>4,409,547</u>		<u>1,751,891</u>
Tax on profit	8		<u>135,085</u>		<u>12,430</u>
PROFIT FOR THE FINANCIAL YEAR			<u><u>4,274,462</u></u>		<u><u>1,739,461</u></u>

Rotalink Limited (Registered number: 00313872)

**Other Comprehensive Income
for the Year Ended 30 September 2021**

	Notes	2021 £	2020 £
PROFIT FOR THE YEAR		4,274,462	1,739,461
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,274,462</u>	<u>1,739,461</u>

The notes form part of these financial statements

Balance Sheet
30 September 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	10		1,289,103		1,501,417
Investments	11		<u>22,433</u>		<u>22,433</u>
			1,311,536		1,523,850
CURRENT ASSETS					
Stocks	12	1,422,900		821,791	
Debtors	13	2,618,363		2,100,388	
Investments	14	17,154,804		13,778,225	
Cash at bank and in hand		<u>1,940,368</u>		<u>2,047,577</u>	
		23,136,435		18,747,981	
CREDITORS					
Amounts falling due within one year	15	<u>2,436,744</u>		<u>1,525,381</u>	
NET CURRENT ASSETS			<u>20,699,691</u>		<u>17,222,600</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			22,011,227		18,746,450
PROVISIONS FOR LIABILITIES	18		<u>162,700</u>		<u>172,385</u>
NET ASSETS			<u>21,848,527</u>		<u>18,574,065</u>
CAPITAL AND RESERVES					
Called up share capital	19		72,500		72,500
Retained earnings	20		<u>21,776,027</u>		<u>18,501,565</u>
SHAREHOLDERS' FUNDS			<u>21,848,527</u>		<u>18,574,065</u>

The financial statements were approved by the Board of Directors and authorised for issue on 27 June 2022 and were signed on its behalf by:

M E Hazell - Director

Statement of Changes in Equity
for the Year Ended 30 September 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 October 2019	72,500	17,762,104	17,834,604
Changes in equity			
Dividends	-	(1,000,000)	(1,000,000)
Total comprehensive income	-	1,739,461	1,739,461
Balance at 30 September 2020	<u>72,500</u>	<u>18,501,565</u>	<u>18,574,065</u>
Changes in equity			
Dividends	-	(1,000,000)	(1,000,000)
Total comprehensive income	-	4,274,462	4,274,462
Balance at 30 September 2021	<u>72,500</u>	<u>21,776,027</u>	<u>21,848,527</u>

Cash Flow Statement
for the Year Ended 30 September 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	24	874,054	1,110,536
Tax paid		-	(93,555)
Taxation refund		43,071	-
Net cash from operating activities		<u>917,125</u>	<u>1,016,981</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(131,159)	(249,578)
Purchase of current asset investments		(811,817)	(2,910,205)
Sale of tangible fixed assets		49,886	60,410
Sale of current asset investments		595,856	1,818,822
Interest received		-	729
Dividends received		271,735	246,946
Net cash from investing activities		<u>(25,499)</u>	<u>(1,032,876)</u>
Cash flows from financing activities			
Amount introduced by directors		19,496	13,024
Amount withdrawn by directors		(18,331)	(12,057)
Equity dividends paid		(1,000,000)	(1,000,000)
Net cash from financing activities		<u>(998,835)</u>	<u>(999,033)</u>
Decrease in cash and cash equivalents		<u>(107,209)</u>	<u>(1,014,928)</u>
Cash and cash equivalents at beginning of year	25	2,047,577	3,062,505
Cash and cash equivalents at end of year	25	<u><u>1,940,368</u></u>	<u><u>2,047,577</u></u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 30 September 2021

1. STATUTORY INFORMATION

Rotalink Ltd is a company incorporated in the United Kingdom under the Companies Act 2006.

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

The principal activities of the Company and the nature of the Company's operations are set out in the Strategic Report on page 2.

2. STATEMENT OF COMPLIANCE

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and the Companies Act 2006.

3. ACCOUNTING POLICIES

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements are prepared under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

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 below.

Consolidated financial statements

The company is a wholly owned subsidiary of Oval (259) Limited. It is included in the consolidated financial statements of Oval (259) Limited which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the company's separate financial statements.

Significant judgements and estimates

In the application of the company's accounting policies which are described above, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

(i) Useful economic life of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimates useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

(ii) Stock provisioning

The company's products are subject to changing industry demands and market trends. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of stock and work in progress.

(iii) Impairment of debtors

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

3. ACCOUNTING POLICIES - continued

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

The Company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and specifics of each arrangement.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The Company recognises revenue when the following conditions are satisfied:

- i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ii) the Company retains neither continuing managerial involvement to the degree associated with ownership nor effective control over the goods sold;
- iii) the amount of revenue can be measured reliably;
- iv) it is probable that the economic benefits associated with the transaction can be measured reliably.

Sale of goods

Turnover from the sale of goods is recognised when the goods are physically delivered to the customer.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

Depreciation and residual values

Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life as follows:

Freehold building 2% on cost
Improvements to property 15% on cost
Plant and machinery 15% on cost
Fixtures and fittings 20% on cost and 10% on cost
Motor vehicles 33% on cost
Computer equipment 33% on cost

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any changes is accounted for prospectively.

Deemed cost

The Company previously adopted a policy of revaluing freehold land and buildings and they were stated at their revalued amount less any subsequent depreciation and accumulated impairment losses. The Company has adopted the transition exemption under FRS 102 paragraph 35.10(d) and has elected to use the previous revaluation as deemed cost.

Subsequent additions and major components

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset when they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs and maintenance costs are expensed as incurred.

Assets in the course of construction

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below:

Non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and risks inherent in the asset.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

3. ACCOUNTING POLICIES - continued

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter an excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the report date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Investments in subsidiaries

Investment in subsidiary / associated companies is held at cost less accumulated impairment losses.

Stocks

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Stock is recognised as an expense in the period in which the related revenue is recognised.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

At the end of each reporting period stock is assessed for impairment. If an item of stock is impaired, the identified stock is reduced to its selling price less costs to complete and sell and an impairment is recognised in the profit and loss account. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

3. **ACCOUNTING POLICIES - continued**

Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements and a defined contribution pension plan.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plans

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 obligations are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

3. ACCOUNTING POLICIES - continued

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amount expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profit and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessment in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Trade debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Cash and cash equivalent

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Current asset investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measured) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

3. ACCOUNTING POLICIES - continued

Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (a) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (b) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefit is probable.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Distributions to equity holders

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

For the purposes of these financial statements, a party is considered to be related to the company if:

- i) the party has the ability, directly or indirectly, through one or more intermediaries, to control the Company or exercise significant influence over the company in making financial and operating policy decisions, or has joint control over the company;
- ii) the company and the party are subject to common control;
- iii) the party is an associate of the company or a joint venture in which the company is a venturer;
- iv) the party is a member of key management personnel of the company or the company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or the party is a post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

4. 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	2,298,519	2,286,066
Europe	6,874,442	5,810,003
Rest of World	1,148,307	1,105,862
	<u>10,321,268</u>	<u>9,201,931</u>

5. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	1,889,826	1,783,617
Social security costs	170,189	160,668
Other pension costs	71,996	71,299
	<u>2,132,011</u>	<u>2,015,584</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

5. EMPLOYEES AND DIRECTORS - continued

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

	2021	2020
Production	43	41
Selling and marketing	10	9
Administration	2	2
	<u>55</u>	<u>52</u>

	2021	2020
	£	£
Directors' remuneration	183,550	239,944
Directors' pension contributions to money purchase schemes	<u>40,877</u>	<u>41,752</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	----------	----------

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation - owned assets	295,398	316,114
Profit on disposal of fixed assets	(1,811)	(4,500)
Auditors' remuneration	12,465	12,803
Rentals under operating leases	52,313	49,678
Foreign exchange gains	<u>110,107</u>	<u>55,641</u>

7. INVESTMENTS

	2021	2020
	£	£
Profit/loss on sale of investments	31,751	(459,756)
Fair value adjustment	<u>3,108,323</u>	<u>1,500,369</u>
	<u>3,140,074</u>	<u>1,040,613</u>

8. 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	241,492	105,663
R&D Claims	<u>(96,722)</u>	<u>(103,864)</u>
Total current tax	144,770	1,799
Deferred tax	<u>(9,685)</u>	<u>10,631</u>
Tax on profit	<u>135,085</u>	<u>12,430</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

8. TAXATION - continued

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>4,409,547</u>	<u>1,751,891</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	837,814	332,859
Effects of:		
Expenses not deductible for tax purposes	-	3,724
Income not taxable for tax purposes	(51,630)	(47,775)
Depreciation in excess of capital allowances	21,141	8,782
Chargeable gains	14	-
Movement on stock and equipment provision	4,511	5,864
investment income		
R & D Claims for prior years	(96,722)	(103,864)
Interest paid/(rec'd) on tax	-	(75)
Fair value adjustment	(590,581)	(285,070)
Adjustment to profit/loss on disposal of investments	(6,377)	87,354
Deferred tax movement	(9,685)	10,631
Adjustment for disallowed provisions	26,600	-
Total tax charge	<u>135,085</u>	<u>12,430</u>

9. DIVIDENDS

	2021 £	2020 £
Ordinary shares of £1 each		
Interim	<u>1,000,000</u>	<u>1,000,000</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 October 2020	380,000	30,270	3,135,870
Additions	-	-	104,270
Disposals	-	-	(47,592)
At 30 September 2021	<u>380,000</u>	<u>30,270</u>	<u>3,192,548</u>
DEPRECIATION			
At 1 October 2020	131,100	30,269	2,329,851
Charge for year	7,600	-	220,166
Eliminated on disposal	-	-	(13,480)
At 30 September 2021	<u>138,700</u>	<u>30,269</u>	<u>2,536,537</u>
NET BOOK VALUE			
At 30 September 2021	<u>241,300</u>	<u>1</u>	<u>656,011</u>
At 30 September 2020	<u>248,900</u>	<u>1</u>	<u>806,019</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

10. **TANGIBLE FIXED ASSETS - continued**

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 October 2020	1,942,621	125,893	121,048	5,735,702
Additions	26,889	-	-	131,159
Disposals	(31,434)	(48,650)	(3,518)	(131,194)
At 30 September 2021	<u>1,938,076</u>	<u>77,243</u>	<u>117,530</u>	<u>5,735,667</u>
DEPRECIATION				
At 1 October 2020	1,504,461	117,556	121,048	4,234,285
Charge for year	60,687	6,945	-	295,398
Eliminated on disposal	(18,863)	(47,258)	(3,518)	(83,119)
At 30 September 2021	<u>1,546,285</u>	<u>77,243</u>	<u>117,530</u>	<u>4,446,564</u>
NET BOOK VALUE				
At 30 September 2021	<u>391,791</u>	<u>-</u>	<u>-</u>	<u>1,289,103</u>
At 30 September 2020	<u>438,160</u>	<u>8,337</u>	<u>-</u>	<u>1,501,417</u>

11. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 October 2020	
and 30 September 2021	<u>22,433</u>
NET BOOK VALUE	
At 30 September 2021	<u>22,433</u>
At 30 September 2020	<u>22,433</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Rotalink GmbH

Registered office:

Nature of business: Overseas marketing

	% holding	2021 £	2020 £
Class of shares:	100.00		
Ordinary			
Aggregate capital and reserves		79,585	75,103
Profit for the year		<u>3,928</u>	<u>7,539</u>

12. **STOCKS**

	2021 £	2020 £
Stocks	293,458	187,858
Work-in-progress	183,143	99,221
Finished goods	<u>946,299</u>	<u>534,712</u>
	<u>1,422,900</u>	<u>821,791</u>

Stocks are stated after provisions for impairment of £546,172 (2020 - £689,764).

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	2,387,210	1,584,095
Amounts owed by group undertakings	406	-
Directors' current accounts	774	1,939
Tax	35,985	223,826
VAT	87,485	56,220
Prepayments and accrued income	106,503	234,308
	<u>2,618,363</u>	<u>2,100,388</u>

Trade debtors are stated after provisions for impairment of Nil (2020 - £11,888).

14. CURRENT ASSET INVESTMENTS

The company's current asset investments consist of listed investments which are held on the company's balance sheet at their current market value.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	1,436,187	564,473
Amounts owed to group undertakings	59,997	71,743
Social security and other taxes	57,497	74,459
Other creditors	10,836	28,235
Accrued expenses	872,227	786,471
	<u>2,436,744</u>	<u>1,525,381</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	49,856	49,356
Between one and five years	146,019	134,875
	<u>195,875</u>	<u>184,231</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

17. FINANCIAL INSTRUMENTS

The company has the following financial instruments:

	2021 £	2020 £
<u>Financial assets at fair value through profit or loss</u>		
Listed investments	17,154,804	13,778,225
	<u>17,154,804</u>	<u>13,778,225</u>
<u>Financial assets that are debt instruments measured at amortised cost</u>		
Trade debtors	2,387,210	1,584,095
Directors' current accounts	744	1,939
	<u>2,387,954</u>	<u>2,109,745</u>
<u>Financial liabilities measured at amortised cost</u>		
Trade creditors	1,436,187	564,473
Amounts owed to group undertakings	59,997	71,743
Other creditors	10,838	28,235
	<u>1,507,020</u>	<u>664,451</u>

18. PROVISIONS FOR LIABILITIES

	2021 £	2020 £
Deferred tax	<u>162,700</u>	<u>172,385</u>
		Deferred tax
		£
Balance at 1 October 2020		172,385
Credit to Income Statement during year		(9,685)
Balance at 30 September 2021		<u>162,700</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021 £	2020 £
Number:	Class:	Nominal value:		
		£1		
72,500	Ordinary		<u>72,500</u>	<u>72,500</u>

20. RESERVES

	Retained earnings £
At 1 October 2020	18,501,565
Profit for the year	4,274,462
Dividends	(1,000,000)
At 30 September 2021	<u>21,776,027</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 30 September 2021 and 30 September 2020:

	2021 £	2020 £
M E Hazell		
Balance outstanding at start of year	1,940	2,906
Amounts advanced	18,331	12,057
Amounts repaid	(19,497)	(13,023)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>774</u>	<u>1,940</u>

22. RELATED PARTY DISCLOSURES

Full advantage has been taken of exemptions for disclosure of inter-group transactions as per FRS 102.

23. ULTIMATE CONTROLLING PARTY

The controlling party is M E Hazell.

ULTIMATE PARENT COMPANY

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Oval (259) Limited. Copies of the Oval (259) Limited consolidated financial statements can be obtained from the Company Secretary at Cropmead, Crewkerne, Somerset TA18 7HQ.

24. RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

	2021 £	2020 £
Profit for the financial year	4,274,462	1,739,461
Depreciation charges	295,399	316,114
Profit on disposal of fixed assets	(1,811)	(4,500)
(Profit)/Loss on sale of investment	(31,751)	459,746
Fair value loss/(gain) on investment	(3,128,867)	(1,500,358)
Finance income	(271,735)	(247,675)
Taxation	<u>135,085</u>	<u>12,430</u>
	1,270,782	775,218
(Increase)/decrease in stocks	(601,109)	162,766
(Increase)/decrease in trade and other debtors	(706,982)	672,754
Increase/(decrease) in trade and other creditors	<u>911,363</u>	<u>(500,202)</u>
Cash generated from operations	<u>874,054</u>	<u>1,110,536</u>

25. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 September 2021

	30.9.21 £	1.10.20 £
Cash and cash equivalents	<u>1,940,368</u>	<u>2,047,577</u>

Year ended 30 September 2020

	30.9.20 £	1.10.19 £
Cash and cash equivalents	<u>2,047,577</u>	<u>3,062,505</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

26. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.10.20 £	Cash flow £	At 30.9.21 £
Net cash			
Cash at bank and in hand	2,047,577	(107,209)	1,940,368
	<u>2,047,577</u>	<u>(107,209)</u>	<u>1,940,368</u>
Liquid resources			
Current asset investments	13,778,225	3,376,579	17,154,804
	<u>13,778,225</u>	<u>3,376,579</u>	<u>17,154,804</u>
Total	<u>15,825,802</u>	<u>3,269,370</u>	<u>19,095,172</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.