

COMPANY REGISTRATION NUMBER: 00361699

Stanhope-Seta Limited
Financial Statements
31 July 2022

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Stanhope-Seta Limited

Financial Statements

Year ended 31 July 2022

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Stanhope-Seta Limited

Strategic Report

Year ended 31 July 2022

Principle Activity and business review

The principal activity of the company during the year was the manufacture of testing equipment for the hydrocarbon industries.

The directors are satisfied with the company's performance for the year. The company's Research and Development group continued actively developing instruments to fulfil new industry requirements and improve existing technologies. Competition within the instrumentation sector is significant, not only from other established manufacturers but also from local domestic products coming from other countries. The company's product line is well established, and the directors are confident that the reputation of the company will greatly assist, where competition is present. The directors continue to monitor cost levels to ensure that an adequate return is received.

The key financial highlights are as follows:

	2022	2021	2020
	£	£	£
Turnover	12,712,169	13,281,383	15,194,043
Turnover growth (%)	(4)	(13)	8
Gross profit margin (%)	46	43	42
Profit before tax	1,887,502	1,093,678	1,173,335

Future developments, Resources, principal risk and uncertainties

The company's range of equipment is designed for the hydrocarbon industries. The company is reliant on the performance of these industries and therefore any change in their level of activity is likely to affect its results. Obsolescence of the existing test procedures represents a key risk to the company, and therefore ongoing development of the instrument range will be an important part of mitigating this and will provide new opportunities for the company.

This report was approved by the board of directors on 26/1/2023 and signed on behalf of the board by:

Giles Verity

G Verity
Director

Registered office:
10 Orange Street
Haymarket
London
WC2H 7DQ

Stanhope-Seta Limited

Directors' Report

Year ended 31 July 2022

The directors present their report and the financial statements of the company for the year ended 31 July 2022.

Directors

The directors who served the company during the year were as follows:

M Verity
G Verity
M Richardson (Resigned 7 June 2022)

Dividends

Particulars of recommended dividends are detailed in note 13 to the financial statements.

Events after the end of the reporting period

There have been no significant events affecting the Group or Company since the year end.

Disclosure of information in the strategic report

A Strategic report is included in these accounts in accordance with section 414C(11) of the Companies Act 2006.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 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 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 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 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.

Stanhope-Seta Limited

Directors' Report *(continued)*

Year ended 31 July 2022

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 26/1/2023 and signed on behalf of the board by:

Giles Verity

G Verity
Director

Registered office:
10 Orange Street
Haymarket
London
WC2H 7DQ

Stanhope-Seta Limited

Independent Auditor's Report to the Members of Stanhope-Seta Limited

Year ended 31 July 2022

Opinion

We have audited the financial statements of Stanhope-Seta Limited (the 'company') for the year ended 31 July 2022 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

Stanhope-Seta Limited

Independent Auditor's Report to the Members of Stanhope-Seta Limited

(continued)

Year ended 31 July 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the 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.

Stanhope-Seta Limited

Independent Auditor's Report to the Members of Stanhope-Seta Limited

(continued)

Year ended 31 July 2022

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined the most significant are those that relate to the reporting framework (United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006) and the relevant tax and other compliance regulations in the jurisdictions in which the Company operates.
- We understood how the Company is complying with those frameworks by making enquiries on management, and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes, papers provided to the finance department, discussion with the finance department and management and any correspondence received from regulatory and legal bodies.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by inquiring with management and the finance department, during the planning and execution phase of our audit. We considered the programs and controls that the group and the company have established to address risks identified, or that otherwise prevent, deter and detect fraud and how senior management monitors those programs and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk including revenue recognition as discussed above. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; enquiries of the finance team and management; and focused testing.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Stanhope-Seta Limited

Independent Auditor's Report to the Members of Stanhope-Seta Limited

(continued)

Year ended 31 July 2022

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Use of our report

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

Tim Hardy

Tim Hardy (Senior Statutory Auditor)

For and on behalf of
Shipleys LLP
Chartered Accountants & statutory auditor
10 Orange Street
Haymarket
London
WC2H 7DQ
26/1/2023

Stanhope-Seta Limited

Statement of Income and Retained Earnings

Year ended 31 July 2022

	Note	2022 £	2021 £
Turnover	5	12,712,169	13,281,383
Cost of sales		(6,838,739)	(7,537,653)
Gross profit		<u>5,873,430</u>	<u>5,743,730</u>
Distribution costs		(227,563)	(229,581)
Administrative expenses		(3,803,845)	(4,802,746)
Other operating income	6	43,477	381,500
Operating profit	7	<u>1,885,499</u>	<u>1,092,903</u>
Interest receivable	11	2,003	775
Profit before taxation		<u>1,887,502</u>	<u>1,093,678</u>
Taxation on ordinary activities	12	(82,352)	52,098
Profit for the financial year and total comprehensive income		<u>1,805,150</u>	<u>1,145,776</u>
Dividends paid and payable	13	(2,100,000)	(600,000)
Retained earnings at the start of the year		<u>9,722,875</u>	<u>9,177,099</u>
Retained earnings at the end of the year		<u>9,428,025</u>	<u>9,722,875</u>

All the activities of the company are from continuing operations.

The notes on pages 11 to 20 form part of these financial statements.

Stanhope-Seta Limited

Statement of Financial Position

31 July 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	1,338,985	1,166,168
Current assets			
Stocks	15	4,004,608	3,202,811
Debtors	16	1,937,699	1,624,320
Cash at bank and in hand		4,734,824	8,603,604
		<u>10,677,131</u>	<u>13,430,735</u>
Creditors: amounts falling due within one year	17	<u>(1,587,991)</u>	<u>(3,873,928)</u>
Net current assets		<u>9,089,140</u>	<u>9,556,807</u>
Total assets less current liabilities		<u>10,428,125</u>	<u>10,722,975</u>
Net assets		<u>10,428,125</u>	<u>10,722,975</u>
Capital and reserves			
Called up share capital	21	1,000,100	1,000,100
Profit and loss account	22	9,428,025	9,722,875
Shareholders funds		<u>10,428,125</u>	<u>10,722,975</u>

These financial statements were approved by the board of directors and authorised for issue on 26/1/2023, and are signed on behalf of the board by:

Martin Verity

M Verity
Director

Giles Verity

G Verity
Director

Company registration number: 00361699

The notes on pages 11 to 20 form part of these financial statements.

Stanhope-Seta Limited

Statement of Cash Flows

Year ended 31 July 2022

	2022	2021
	£	£
Cash flows from operating activities		
Profit for the financial year	1,805,150	1,145,776
<i>Adjustments for:</i>		
Depreciation of tangible assets	160,200	142,899
Government grant income	(43,477)	(381,500)
Interest receivable	(2,003)	(775)
Gains on disposal of tangible assets	(32,030)	(20,101)
Taxation on ordinary activities	93,163	(52,098)
<i>Changes in:</i>		
Stocks	(801,797)	253,794
Trade and other debtors	(313,379)	302,469
Trade and other creditors	(1,775,059)	123,437
Cash generated from operations	(909,232)	1,513,901
Interest received	2,003	775
Tax (paid)/received	(4,041)	52,098
Net cash (used in)/from operating activities	<u>(911,270)</u>	<u>1,566,774</u>
Cash flows from investing activities		
Purchase of tangible assets	(346,988)	(184,147)
Proceeds from sale of tangible assets	46,001	29,250
Net cash used in investing activities	<u>(300,987)</u>	<u>(154,897)</u>
Cash flows from financing activities		
Proceeds from borrowings	(600,000)	—
Government grant income	43,477	381,500
Dividends paid	(2,100,000)	(600,000)
Net cash used in financing activities	<u>(2,656,523)</u>	<u>(218,500)</u>
Net (decrease)/increase in cash and cash equivalents	(3,868,780)	1,193,377
Cash and cash equivalents at beginning of year	8,603,604	7,410,227
Cash and cash equivalents at end of year	<u>4,734,824</u>	<u>8,603,604</u>

The notes on pages 11 to 20 form part of these financial statements.

Stanhope-Seta Limited

Notes to the Financial Statements

Year ended 31 July 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the principal place of business is London Street, Chertsey, Surrey, KT16 8AP, UK.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

During the year the company made a profit before tax of £1,887,502 (2021: £1,093,903) and the statement of financial position shows net assets of £10,428,125 (2021: £10,722,975). The directors have considered the basis of preparation of the financial statements and have concluded that it is appropriate to prepare these on the going concern basis. This assessment is due to the company's forecasts demonstrating sufficient funds and cash flows to be able to manage its liabilities as they fall due for a period of not less than 12 months of the approval of the financial statements.

The directors continue to monitor the threat and implications of the COVID-19 pandemic and current Russo-Ukrainian crisis the impact that these have had on the business sector and the wider macro-economic environment. Based on a review of the activities of the Company and the ability to reduce certain costs in the short term, the members currently believe that this risk can be managed for the year ahead. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements and estimates

Stock

Provisions are made for slow moving and obsolete stock and are reviewed regularly by the directors and management of the company. Stock is either written off or written down to the net realisable value in these instances.

Stanhope-Seta Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

3. Accounting policies *(continued)*

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for the design and manufacture quality control instruments used to measure the physical characteristics that determine product quality and consistency, stated net of discounts and of Value Added Tax.

Turnover is recognised once the goods have been delivered and the significant risks and rewards of ownership have transferred to the customer.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Interest income

Interest income is reported on the accruals basis, using the effective interest rate method.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Stanhope-Seta Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold Property	-	over 50 years
Plant & Equipment	-	15% or 33.3% straight line
Fixtures & Fittings	-	15% straight line
Motor Vehicles	-	25% straight line

Freehold land is not depreciated.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stock and work in progress have been valued at the lower of cost and net realisable value. Finished goods stock includes a proportion of factory overhead expenditure. Stock and work in progress have been valued at the lower of cost and net realisable value. Finished goods stock includes a proportion of factory overhead expenditure.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Financial instruments

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the financial instrument. The Company does not hold any third party financial assets.

Loans and receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are initially recognised at fair value and are subsequently measured using the effective interest method less provision for any impairment.

Financial liabilities and equity instruments

Financial liabilities and equity are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Other financial liabilities (including borrowing and trade and other payables) are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Stanhope-Seta Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Research and development expenditure

The total expenditure for the year on Research and Development was £821,295 (2021: £756,513).

5. Turnover

Turnover arises from:

	2022 £	2021 £
Sale of goods	<u>12,712,169</u>	<u>13,281,383</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2022 £	2021 £
United Kingdom	1,240,558	1,223,676
Overseas	<u>11,471,611</u>	<u>12,057,707</u>
	<u>12,712,169</u>	<u>13,281,383</u>

6. Other operating income

	2022 £	2021 £
Government grant income	<u>43,477</u>	<u>381,500</u>

7. Operating profit

Operating profit or loss is stated after charging/crediting:

	2022 £	2021 £
Depreciation of tangible assets	160,200	142,899
Gains on disposal of tangible assets	(32,030)	(20,101)
Foreign exchange differences	<u>1,337</u>	<u>2,102</u>

Stanhope-Seta Limited

Notes to the Financial Statements (continued)

Year ended 31 July 2022

8. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	<u>15,000</u>	<u>14,950</u>
Fees payable to the company's auditor and its associates for other services:		
Audit-related assurance services	<u>34,111</u>	<u>33,442</u>

9. Particulars of employees

The average number of persons employed by the company during the year, including the directors, amounted to:

	2022	2021
	No.	No.
Production staff	30	32
Administrative staff	44	48
Management staff	<u>3</u>	<u>3</u>
	<u>77</u>	<u>83</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2022	2021
	£	£
Wages and salaries	1,812,417	3,073,822
Social security costs	366,918	519,498
Other pension costs	69,942	74,241
	<u>2,249,277</u>	<u>3,667,561</u>

10. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2022	2021
	£	£
Remuneration	<u>690,533</u>	<u>1,867,200</u>

Remuneration of the highest paid director in respect of qualifying services:

	2022	2021
	£	£
Aggregate remuneration	<u>328,600</u>	<u>913,600</u>

There are considered to be no key management personnel other than the directors, of which their remuneration has been disclosed above.

11. Interest receivable

	2022	2021
	£	£
Interest on cash and cash equivalents	<u>2,003</u>	<u>775</u>

Stanhope-Seta Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

12. Taxation on ordinary activities

Major components of tax expense/(income)

	2022	2021
	£	£
Current tax:		
UK current tax expense/(income)	82,352	(52,098)
Taxation on ordinary activities	<u>82,352</u>	<u>(52,098)</u>

Reconciliation of tax expense/(income)

The tax assessed on the profit on ordinary activities for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022	2021
	£	£
Profit on ordinary activities before taxation	1,887,502	1,093,678
Profit on ordinary activities by rate of tax	358,625	207,799
Effect of expenses not deductible for tax purposes	30,682	(722)
Effect of capital allowances and depreciation	(53,693)	(7,252)
Unused tax losses	(2,530)	2,530
Deduction for qualifying R&D expenditure	(250,732)	(254,453)
Tax on profit	<u>82,352</u>	<u>(52,098)</u>

13. Dividends

Dividends paid during the year:

	2022	2021
	£	£
Dividends on equity shares	<u>2,100,000</u>	<u>600,000</u>

Stanhope-Seta Limited

Notes to the Financial Statements (continued)

Year ended 31 July 2022

14. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 August 2021	1,052,898	670,550	443,107	332,871	2,499,426
Additions	–	68,693	79,332	198,963	346,988
Disposals	–	–	–	(280,282)	(280,282)
At 31 July 2022	<u>1,052,898</u>	<u>739,243</u>	<u>522,439</u>	<u>251,552</u>	<u>2,566,132</u>
Depreciation					
At 1 August 2021	213,061	571,301	396,420	152,476	1,333,258
Charge for the year	17,008	58,730	14,342	70,120	160,200
Disposals	–	–	–	(266,311)	(266,311)
At 31 July 2022	<u>230,069</u>	<u>630,031</u>	<u>410,762</u>	<u>(43,715)</u>	<u>1,227,147</u>
Carrying amount					
At 31 July 2022	<u>822,829</u>	<u>109,212</u>	<u>111,677</u>	<u>295,267</u>	<u>1,338,985</u>
At 31 July 2021	<u>839,837</u>	<u>99,249</u>	<u>46,687</u>	<u>180,395</u>	<u>1,166,168</u>

15. Stocks

	2022 £	2021 £
Raw materials	2,200,505	1,851,195
Work in progress	489,669	344,879
Finished goods	1,314,434	1,006,737
	<u>4,004,608</u>	<u>3,202,811</u>

There is no material difference between the replacement cost of stocks and the amounts stated above. The provision for slow moving and obsolete stock at the year-end was £145,547 (2021: £201,335).

Movements within stock are recognised within cost of sales in the profit and loss account.

16. Debtors

	2022 £	2021 £
Trade debtors	1,565,316	1,331,415
Amounts owed by undertakings in which the company has a participating interest	3,880	–
Prepayments and accrued income	169,668	86,014
Corporation tax repayable	–	52,098
VAT recoverable	198,689	148,557
Other debtors	146	6,236
	<u>1,937,699</u>	<u>1,624,320</u>

Stanhope-Seta Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

16. Debtors *(continued)*

All trade debtor amounts are short term. All of the Company's trade and other debtors have been reviewed for indicators of impairment and, where necessary, a provision for impairment provided. The carrying value is considered a fair approximation of their fair value. The Company's management considers that all the above financial assets that are not impaired or past due are of good credit quality, as such no provision has been made against the trade debtor balance. The provision for trade debtors at the year-end was £nil (2021: £nil).

17. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	1,210,039	1,065,124
Accruals and deferred income	211,209	2,121,702
Corporation tax	78,311	–
Social security and other taxes	77,766	76,436
Director loan accounts	10,666	610,666
	<u>1,587,991</u>	<u>3,873,928</u>

All amounts are short term. The Directors consider that the carrying value of trade and other creditors to be a reasonable approximation of fair value.

18. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £69,942 (2021: £74,241).

19. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2022	2021
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	<u>43,477</u>	<u>381,500</u>

Grants are recognised at the fair value of the asset received or receivable and include grants received under the furlough scheme and Innovate UK funding scheme. Grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants have been received. Grant income has been recognised against the associated expense in the statement of comprehensive income.

Stanhope-Seta Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

20. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2022 £	2021 £
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	<u>6,469,954</u>	<u>10,027,269</u>
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	<u>1,503,324</u>	<u>3,797,492</u>

The Company holds or issues financial instruments to finance its operations. The Company does not trade in financial instruments.

21. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
A Ordinary shares of £1 each	100	100	100	100
B Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
	<u>1,000,100</u>	<u>1,000,100</u>	<u>1,000,100</u>	<u>1,000,100</u>

Non equity shares consist of 100 'A' ordinary shares of £1 each. The shares confer the right on a winding up to the return of the capital paid up in priority to any other class of share.

22. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

23. Analysis of changes in net debt

	At 1 Aug 2021 £	Cash flows £	At 31 Jul 2022 £
Cash at bank and in hand	8,603,604	(3,868,780)	4,734,824
Debt due within one year	<u>(610,666)</u>	<u>600,000</u>	<u>(10,666)</u>
	<u>7,992,938</u>	<u>(3,268,780)</u>	<u>4,724,158</u>

Stanhope-Seta Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2022

24. Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than 1 year	82,867	—
Later than 1 year and not later than 5 years	279,469	—
	<u>362,336</u>	<u>—</u>

25. Other financial commitments

As at 31 July 2022 the company had no capital or other commitments or contracts for capital expenditure in place in the year (2021: £nil).

26. Directors' advances, credits and guarantees

At the balance sheet, the company owed the directors £10,666 (2021: £610,666) the amount is repayable on demand and no interest is charged.

27. Related party transactions

No related party transactions were undertaken as such that are required to be disclosed under FRS 102.

28. Controlling party

The ultimate parent company is Stanhope-Seta Holdings Limited. The parent has the same registered office as Stanhope-Seta Limited's address of 10 Orange Street, London, United Kingdom, WC2H 7DQ.

Stanhope-Seta Holdings Limited prepare consolidated financial statements.