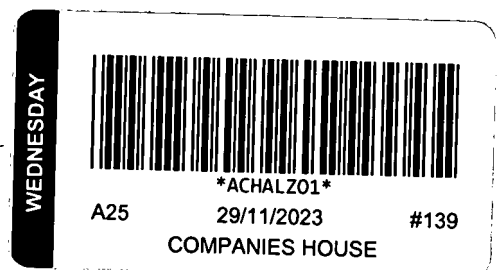


Registered number: 01254467

Roscomac Limited

Annual report and financial statements

For the year ended 28 February 2023



Roscomac Limited

Company Information

Directors

F Martello
J G Martello
M J Johans

Registered number

01254467

Registered office

Dominion Way
Worthing
West Sussex
BN14 8NW

Independent auditor

Kreston Reeves LLP
Statutory Auditor & Chartered Accountants
9 Donnington Park
85 Birdham Road
Chichester
West Sussex
PO20 7AJ

Roscomac Limited

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Roscomac Limited

Strategic report For the year ended 28 February 2023

Introduction

The directors present their strategic report for the year ended 28 February 2023.

Business review

Roscomac continued to manage the impact of Covid on the various sectors supplied. Turnover recovered significantly in Aerospace and General Engineering but was offset by further falls in the demand from the medical sector as stocks were rebalanced for the revised levels of ongoing demand. The business also took the opportunity to rationalise the offering and remove lower margin products from the portfolio which had a positive impact on the gross margin achieved.

Despite the increasing pressure on overheads from rising inflation and energy costs, the business was able to deliver a significant improvement in the Gross margin percentage in the year. This improvement fed directly through to operating profit as the business exercised strong management over the fixed cost base.

There was a lower level of activity on 'new product and development' although this afforded the chance to review existing products and look at value-engineering opportunities also helping to offset the pressure on costs and margins.

The capital investments the business had made (over £5million in the previous four years) along with the other past investments in research and development and staff negated the need to invest further in the current year. The existing machinery portfolio and staffing continue to provide market leading opportunities and solutions and the Roscomac is well placed to compete for new business and grow sales to existing customers.

Principal risks and uncertainties


As part of its risk management the business maintains a risk register that is reviewed by the management team on a regular basis. These risks are rated, and mitigating actions and responsibilities assigned.

The risk from the impact of Covid 19 has broadly passed with the key risks now relating to the war in Ukraine and the impact of energy prices. The business continues to work closely with both customers and suppliers to ensure that demand can be met as cost effectively as possible.

Financial key performance indicators

	2023	2022
Turnover	£6,126k	£6,535k
Gross margin %	49.9%	44.4%
Operating profit	£421k	£158k
Operating profit %	6.9%	2.4%
Capital investment	£73k	£1,378k

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


J G Martello
Director
Date: 24-11-23

Roscomac Limited

Directors' report For the year ended 28 February 2023

The directors present their report and the financial statements for the year ended 28 February 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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.

Principal activity

The principal activity of the company is CNC precision engineering and assembly.

Results and dividends

The profit for the year, after taxation, amounted to £349,984 (2022: £109,570).

Dividends paid in the year amounted to £227,200 (2022: £159,563).

Directors

The directors who served during the year were:

F Martello
J G Martello
M J Johans

Future developments

The business will continue to follow its strategy of investment to stay at the leading edge of the current available technology. The business will remain flexible in terms of its ability to react to change in the market to allow it to act quickly as requirements from customers dictate.

The Directors are confident that with its strategy, the current reserves and the financing facilities in place, Roscomac Limited can be successful in the current uncertain environment.

Roscomac Limited

Directors' report (continued)
For the year ended 28 February 2023

Research and development activities

Roscomac continues to invest in research and development activities internally and for the benefit of its customers. In the precision engineering industry, processes and techniques are closely guarded intellectual property.

Almost all new customer contracts secured by Roscomac involve developing an appropriate process to engineer the component and/or product. A number of these are of the nature that competent professionals within this sector can devise the process and program the engineering equipment to achieve the required output as a matter of course.

However, the company also has a number of projects that go beyond this and require processes, techniques, and components to be developed, which advance the overall technological capabilities of the field. This could be through improving the process to allow appreciable improvements in the level of waste generated, cost savings, higher reliability of components or developing products to specifications not previously achieved.

Matters covered in the Strategic report

The company is required to disclose an accurate reflection of the financial risk management objectives and policies in its Directors' Report. This has instead been included in the Strategic Report in line with the Companies Act 2006.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Post balance sheet events

There are no post balance sheet events to report.

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



J G Martello

Director

Date: 24-11-23

Roscomac Limited

Independent auditor's report to the members of Roscomac Limited

Opinion

We have audited the financial statements of Roscomac Limited (the 'Company') for the year ended 28 February 2023, 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 28 February 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for 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 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 Auditor's 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 auditor's report to the members of Roscomac 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 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 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 auditor's report to the members of Roscomac Limited (continued)

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:

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. 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 communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. 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, management bias in accounting estimates and judgemental areas of the financial statements, such as with regards absorption costing, recoverability of trade debtors and depreciation. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing controls that management have in place to prevent and detect fraud; and
- Discussion with management of the controls over the stock counting procedures and detailed testing of the year end stock counts, comparing to the quantities included in the financial statements; and
- Conducting a review of cash received after the balance sheet date to support recoverability of trade debtors; and
- Challenging assumptions and judgments made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Physical inspection of tangible assets susceptible to fraud; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Independent auditor's report to the members of Roscomac Limited (continued)

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.
- 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 of the effectiveness of the Company's 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.

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.



Simon Webber BA FCA DChA (Senior statutory auditor)
for and on behalf of

Kreston Reeves LLP
Statutory Auditor

Chartered Accountants

Chichester

Date: 27 November 2023

Roscomac Limited

**Statement of comprehensive income
For the year ended 28 February 2023**

	Note	2023 £	2022 £
Turnover	4	6,126,237	6,535,255
Cost of sales		(3,066,404)	(3,633,985)
Gross profit		3,059,833	2,901,270
Administrative expenses		(2,664,015)	(2,823,262)
Other operating income	5	25,498	79,635
Operating profit	6	421,316	157,643
Interest receivable and similar income	10	-	5
Interest payable and similar expenses	11	(102,809)	(80,276)
Profit before tax		318,507	77,372
Tax on profit	12	31,477	32,198
Profit for the financial year		349,984	109,570

There was no other comprehensive income for 2023 (2022: £NIL).

The notes on pages 11 to 25 form part of these financial statements.

Roscomac Limited
Registered number: 01254467

Balance sheet
As at 28 February 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible Fixed Assets	14	3,442,798	4,159,623
Investments	15	1	1
		<u>3,442,799</u>	<u>4,159,624</u>
Current assets			
Stocks	16	884,795	775,789
Debtors: amounts falling due within one year	17	1,393,308	1,562,092
Bank and cash balances		539	8,764
		<u>2,278,642</u>	<u>2,346,645</u>
Creditors: amounts falling due within one year	18	(1,530,543)	(1,584,152)
Net current assets		<u>748,099</u>	<u>762,493</u>
Total assets less current liabilities		<u>4,190,898</u>	<u>4,922,117</u>
Creditors: amounts falling due after more than one year	19	(1,005,584)	(1,828,110)
Provisions for liabilities			
Deferred tax	21	(556,189)	(587,666)
		<u>(556,189)</u>	<u>(587,666)</u>
Net assets		<u>2,629,125</u>	<u>2,506,341</u>
Capital and reserves			
Called up share capital	22	10,000	10,000
Profit and loss account		2,619,125	2,496,341
		<u>2,629,125</u>	<u>2,506,341</u>

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



J G Martello

Director

Date: 24-11-23

The notes on pages 11 to 25 form part of these financial statements.

Roscomac Limited

**Statement of changes in equity
For the year ended 28 February 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 March 2021	10,000	2,546,334	2,556,334
Comprehensive income for the year			
Profit for the year	-	109,570	109,570
Total comprehensive income for the year	-	109,570	109,570
Contributions by and distributions to owners			
Dividends	-	(159,563)	(159,563)
Total transactions with owners	-	(159,563)	(159,563)
At 1 March 2022	10,000	2,496,341	2,506,341
Comprehensive income for the year			
Profit for the year	-	349,984	349,984
Total comprehensive income for the year	-	349,984	349,984
Contributions by and distributions to owners			
Dividends	-	(227,200)	(227,200)
Total transactions with owners	-	(227,200)	(227,200)
At 28 February 2023	10,000	2,619,125	2,629,125

The notes on pages 11 to 25 form part of these financial statements.

Roscomac Limited

Notes to the financial statements For the year ended 28 February 2023

1. General information

Roscomac Limited is a private company, limited by share capital and incorporated in England and Wales under the Companies Act 2006, registered number 01254467.

The address of the registered office is: Dominion Way, Worthing, West Sussex BN14 8NW.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Roscomac Group Limited as at 28 February 2021 and these financial statements may be obtained from Dominion Way, Worthing, West Sussex, United Kingdom BN14 8NW.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.4 Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future being a period of no less than 12 months from the date of approval of these financial statements. The company therefore continues to adopt the going concern basis in preparing its financial statements.

**Notes to the financial statements
For the year ended 28 February 2023**

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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 presented in the Statement of comprehensive income within 'administrative expenses'.

All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'administrative expenses'.

2.6 Revenue

Turnover is recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Revenue is recognised on delivery of goods.

2.7 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.

2.8 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.9 Research and development

Expenditure on research is written off against profits in the year in which it is incurred.

2.10 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.

**Notes to the financial statements
For the year ended 28 February 2023**

2. Accounting policies (continued)

2.11 Interest income

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

2.12 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.

2.13 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.

2.14 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.

2.15 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 28 February 2023**

2. Accounting policies (continued)

2.15 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.

The estimated useful lives range as follows:

Plant and machinery	3 to 8 years
Motor vehicles	4 years
Office equipment	3 to 10 years

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.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.17 Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. 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.

2.18 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.

2.19 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.

2.20 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.

**Notes to the financial statements
For the year ended 28 February 2023**

2. Accounting policies (continued)

2.21 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Balance sheet when the Company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

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

2.22 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.

**Notes to the financial statements
For the year ended 28 February 2023**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the company's directors to exercise judgment in applying the company's accounting policies.

In preparing these financial statements, the directors have made the following judgments:

- Determine whether leases entered into as a lessor or lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see notes 2.14 and 14)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycle and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. The carrying value of tangible fixed assets as at the year end was £3,442,798 (2022: £4,159,623).

- Stock provisions (see notes 2.16 and 16)

Provision is made against stock on a judgmental basis taking into account product life cycle, historical sales patterns, stock ageing, and valuation considerations. The value of the provision as at the year end was £339,537 (2022: £437,789).

- WIP valuation (see note 16)

The directors apply an overhead rate that is absorbed into the value of the work in progress and finished goods. This is based upon the estimated standard hours to produce the expected stock quantities in the year and absorbs a mix of both direct and indirect costs. The value of work in progress at the year end was £382,642 (2022: £273,112).

Roscomac Limited

Notes to the financial statements For the year ended 28 February 2023

4. Turnover

	2023	2022
	£	£
Sale of goods	6,126,237	6,535,255
	6,126,237	6,535,255

Analysis of turnover by country of destination:

	2023	2022
	£	£
United Kingdom	2,764,216	1,918,311
Rest of Europe	3,177,613	3,769,252
Rest of the world	184,408	847,692
	6,126,237	6,535,255

5. Other operating income

	2023	2022
	£	£
Government grants receivable	25,498	79,635
	25,498	79,635

Grants receivable includes £25,498 released to the Statement of comprehensive income in relation to a grant received for the purchase of plant and machinery.

6. Operating profit

The operating profit is stated after charging:

	2023	2022
	£	£
Exchange differences	(15,560)	18,687
Other operating lease rentals	278,260	273,325

Roscomac Limited

**Notes to the financial statements
For the year ended 28 February 2023**

7. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor:

	2023	2022
	£	£
Fees payable to the Company's auditor for the audit of the Company's financial statements	17,500	15,800

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2023	2022
	£	£
Wages and salaries	1,607,937	1,811,093
Social security costs	149,098	168,060
Cost of defined contribution scheme	76,289	96,676
	<u>1,833,324</u>	<u>2,075,829</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2023	2022
	No.	No.
Total	<u>62</u>	<u>75</u>

9. Directors' remuneration

	2023	2022
	£	£
Directors' emoluments	25,500	63,000
Company contributions to defined contribution pension schemes	4,800	4,800
Compensation for loss of office	—	51,044
	<u>30,300</u>	<u>118,844</u>

During the year retirement benefits were accruing to 2 directors (2022 - 2) in respect of defined contribution pension schemes.

Roscomac Limited

Notes to the financial statements For the year ended 28 February 2023

10. Interest receivable

	2023 £	2022 £
Other interest receivable	5	5
	<u>5</u>	<u>5</u>

11. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	17	2
Finance leases and hire purchase contracts	89,394	79,274
Other interest payable	13,398	1,000
	<u>102,809</u>	<u>80,276</u>

12. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year		(213,669)
Adjustments in respect of previous periods		(17,630)
		<u>(231,299)</u>
Total current tax		<u>(231,299)</u>
Deferred tax		
Origination and reversal of timing differences	(31,477)	199,101
Total deferred tax	<u>(31,477)</u>	<u>199,101</u>
Taxation on loss on ordinary activities	<u>(31,477)</u>	<u>(32,198)</u>

Roscomac Limited

Notes to the financial statements For the year ended 28 February 2023

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	318,507	77,372
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	60,516	14,701
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	908	201
Impact of R&D expenditure upon tax charge	(83,744)	(121,731)
Changes in provisions leading to an increase (decrease) in the tax charge	(9,157)	74,631
Total tax charge for the year	(31,477)	(32,198)

Factors that may affect future tax charges

With effect from 1 April 2023 the corporation tax rate will rise to 25% on taxable profits over £250,000. Taxable profits less than £50,000 will be taxed at 19% with a marginal rate applied for profits between these amounts.

13. Dividends

	2023 £	2022 £
Dividends paid in the year	227,200	159,563
	227,200	159,563

Roscomac Limited

**Notes to the financial statements
For the year ended 28 February 2023**

14. Tangible fixed assets

	Plant and machinery £	Office equipment £	Total £
Cost			
At 1 March 2022	8,994,080	266,928	9,261,008
Additions	21,682	51,801	73,483
Disposals	(298,643)	-	(298,643)
At 28 February 2023	<u>8,717,119</u>	<u>318,729</u>	<u>9,035,848</u>
Depreciation			
At 1 March 2022	4,891,298	210,087	5,101,385
Charge for the year	763,248	27,060	790,308
Disposals	(298,643)	-	(298,643)
At 28 February 2023	<u>5,355,903</u>	<u>237,147</u>	<u>5,593,050</u>
Net book value			
At 28 February 2023	<u>3,361,216</u>	<u>81,582</u>	<u>3,442,798</u>
At 28 February 2022	<u>4,102,782</u>	<u>56,841</u>	<u>4,159,623</u>

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

	2023 £	2022 £
Plant and machinery	<u>2,974,486</u>	<u>3,550,758</u>
	<u>2,974,486</u>	<u>3,550,758</u>

Roscomac Limited

**Notes to the financial statements
For the year ended 28 February 2023**

15. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 March 2022	211,377
At 28 February 2023	<u>211,377</u>
Impairment	
At 1 March 2022	211,376
At 28 February 2023	<u>211,376</u>
Net book value	
At 28 February 2023	<u>1</u>
At 28 February 2022	<u>1</u>

Roscomac CZ s.r.o was a dormant subsidiary of Roscomac Limited during the year. Roscomac Limited owned 100% of the Ordinary Share Capital.

16. Stocks

	2023 £	2022 £
Raw materials and consumables	132,379	148,062
Work in progress (goods to be sold)	382,642	273,112
Finished goods and goods for resale	369,774	354,615
	<u>884,795</u>	<u>775,789</u>

Roscomac Limited

**Notes to the financial statements
For the year ended 28 February 2023**

17. Debtors

	2023 £	2022 £
Trade debtors	970,070	982,350
Other debtors	327,800	486,333
Prepayments and accrued income	95,438	93,409
	<u>1,393,308</u>	<u>1,562,092</u>

18. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	465,055	523,521
Other taxation and social security	41,511	35,167
Obligations under finance lease and hire purchase contracts	803,622	928,728
Proceeds of factored debts	117,084	-
Other creditors	16,041	14,636
Accruals and deferred income	87,230	82,100
	<u>1,530,543</u>	<u>1,584,152</u>

Proceeds of factored debts

The Company has an invoice discounting agreement with a carrying amount of £117,084 (2022: £nil) denominated in GBP with a nominal interest rate of 2% over base rate.

The invoice discounting facility is available for draw down on the Company's trade debtors. The agreement is with recourse which ensures that the bad debt risk remains with the Company. Liability is due within one year as the notice period is three months.

Security has been given on this facility, as well as any bank overdrafts, in the form of a fixed and floating charge over the undertaking and all property and assets present and future.

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

	2023 £	2022 £
Net obligations under finance leases and hire purchase contracts	963,084	1,760,110
Accruals and deferred income	42,500	68,000
	<u>1,005,584</u>	<u>1,828,110</u>

Roscomac Limited

Notes to the financial statements For the year ended 28 February 2023

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	803,662	928,728
Between 1-5 years	963,084	1,760,110
	<u>1,766,746</u>	<u>2,688,838</u>

Net obligations under finance leases and hire purchase contracts totalling £803,622 due within one year and £963,084 due after one year are secured by fixed charges on the assets concerned.

21. Deferred taxation

	2023 £
At beginning of year	(587,666)
Charged to statement of comprehensive income	31,477
At end of year	<u>(556,189)</u>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(645,813)	(774,244)
Tax losses carried forward	89,624	186,578
	<u>(556,189)</u>	<u>(587,666)</u>

22. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
3,100 (2022 - 3,100) Ordinary 'A' shares of £1.00 each	3,100	3,100
2,100 (2022 - 2,100) Ordinary 'B' shares of £1.00 each	2,100	2,100
4,800 (2022 - 4,800) Ordinary 'C' shares of £1.00 each	4,800	4,800
	<u>10,000</u>	<u>10,000</u>

Roscomac Limited

Notes to the financial statements For the year ended 28 February 2023

23. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £76,289 (2022: £96,676). Contributions totalling £10,411 (2022: £10,766) were payable to the fund at the balance sheet date and are included in creditors.

24. Commitments under operating leases

At 28 February 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	322,310	184,633
Later than 1 year and not later than 5 years	1,179,475	10,285
	<u>1,501,785</u>	<u>194,918</u>

25. Transactions with directors

During the year the company provided a loan to a director. The balance due as at the year end was £127,800 (2022: £nil). The balance receivable is unsecured and no interest is being charged on this.

26. Related party transactions

The company has taken advantage of the exemptions available under FRS102 section 33.1A and not disclosed transactions with its wholly owned subsidiary and parent company.

Martello Property Investments Limited

(A company under the control of the directors and their close family)

During the year, the company incurred rent of £249,450 (2022: £238,406) from Martello Property Investments Limited. Of this, £nil was due to Martello Property Investments Limited as at the year end (2022: £nil).

Martello Property Investments Limited incurred costs on behalf of the company totalling £nil (2022: £31,041 incurred on behalf of Martello Property Investments Limited).

The company previously provided a loan to Martello Property Investments Limited in the year of £200,000. No interest or security is provided for on this loan.

At the year end, Martello Property Investments Limited owed the company £200,000 (2022: £200,000).

Emmjay Limited

(A company in which M Johans is a director).

Since M Johans became a director of Roscomac Limited, the company incurred expenses totalling £nil (2022: £7,336) from Emmjay Limited. Of this, £nil (2022: £nil) was due to Emmjay at the year end.

27. Controlling party

The ultimate parent company is Roscomac Group Limited, incorporated in England and Wales.

The ultimate controlling party is J Martello.