Registered number: 01936460

# Cornelius Group PLC

## Annual Report and Financial Statements

For the Year Ended 31 January 2023

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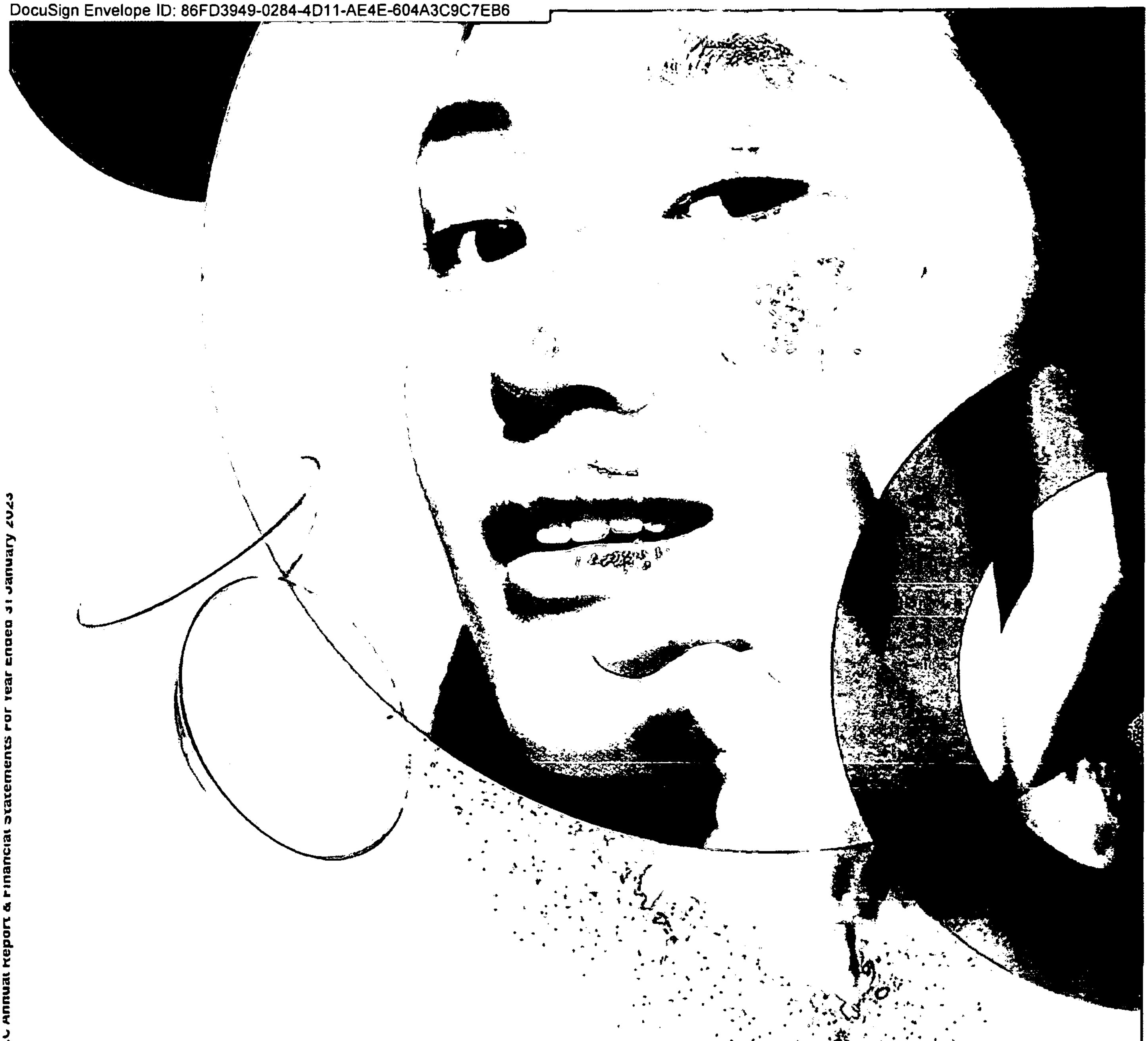


Cornelius Group PLC Annual Report & Financial Statements For Year Ended 31 January 2023

Cornelius Group PLC

# Annual Report & Financial Statements

For Year Ended 31 January 2023

Cornelius
Delivering the Difference

# Company Information

**Directors**

Dr N D Prior
D Spiby
G E Fisher
P T Gibbons
P Cartwright
D Moore (Appointed 1st June 2022)

**Company Secretary**

J McCallion

**Registered Number**

01936460

**Registered Office**

Cornelius House
Woodside
Dunmow Road
Bishops Stortford
Hertfordshire
CM23 5RG

**Independent Auditor**

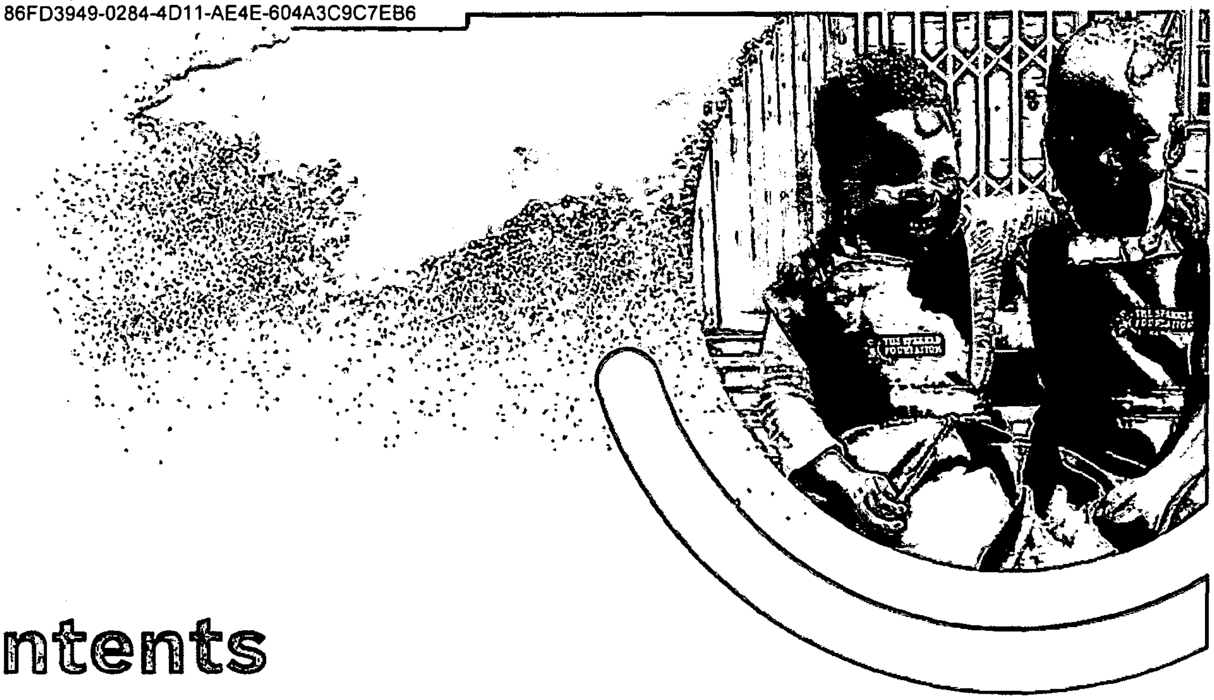
Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
Priory Place
New London Road
Chelmsford
Essex
CM2 0PP

**Bankers**

HSBC Bank plc.
Fenton House
New London Road
Chelmsford
Essex
CM2 0PP

**Solicitors**

Nockolds
6 Market Square
Bishops Stortford
Hertfordshire
CM32 3UZ



# Contents

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# Statement from Chairman of The Board,

## Dr Neville Prior

**Dear Valued Shareholders,**

This year has proved to be a year of two halves. The first half showed huge promise, but unfortunately the second half was somewhat different. Geopolitical headwinds coupled with turmoil in the energy markets creating an economic environment of complexity and difficulty sought to derail the earlier financial gains. Without doubt we have found ourselves operating in a world of consumer concern and this will always have a knock on effect. Our staff and management teams have taken the right actions and we continue to move the business forward.

Positively, we are a strong business that continues to innovate and with a strong list of strategic projects in the pipeline we are well set for the coming years. These projects run across our distribution and our manufacturing businesses providing excellent growth opportunities. Meanwhile we continue to strengthen our people skills, with comprehensive training programmes and opportunities for self-learning. Cornelius is a great organisation to be a part of and our Vision, Mission and Values continue at the core of everything we do.

Business is not just about the financials, but also about doing the right things. We believe in having a sustainable organisation, playing a part in making the world a better place. Our products bring multiple benefits for our customers and we continue to invest into communities close to home and further afield, such as Malawi. We can be proud to have "made a difference", and to say we are One Cornelius.

**Dr Neville Prior**
Chairman

# Group Strategic Report

## Business Review & KPIs

**Opening Remarks – CEO – Phil Gibbons**

Welcome to our annual report and financial statements. During the year I was fortunate to take a trip to Malawi in support of our nominated Charity – The Sparkle Foundation. Sparkle exists to help support communities by providing programmes focussed on pre-school education, nutrition, health care and a community outreach programme to encourage and enable economic activity. As a business we took 5 employees to their location near Zomba where Sparkle have their main facility. It was an educational and uplifting trip for me and one where we were able to add value to the operation of the charity and spend time experiencing a different culture. This reflects what Cornelius is and does – we want to be successful as a business but we will do it in the right way, through charitable giving, supporting our teams to develop and grow their skills and ultimately give something back to all the different communities and stakeholders that the business touches across our operations in the world.

It has been a difficult year for our activities. Conflict in Europe, geopolitical tensions, economic instability and increasing costs for everything we do as consumers has meant demand has been sporadic and costs within the business have increased. Lower levels of activity in our UK operations in the second half moved our margin mix against us leading to a lowering of overall profit. We have a number of strategic projects working their way through the commercialisation pipeline which will drive us forward again for the coming year and beyond.

We continue to invest in our teams across the Group. During the year we moved to a new learning platform – Learn Upon – that will continue to provide the opportunity to acquire new skills with a much broader set of content

Our internal Environmental Team (E-Team) worked through the year looking more deeply at our carbon footprint, understanding what we can and cannot measure to help us develop a programme to eliminate, or reduce and then offset our CO2e impact. This has been a period of learning and I hope to see us let this project expand its activities across all our operations in the year ahead.

**Thank you for your support.**

## Our Strategy

**True and Sustainable Differentiation**

Intensify activity with a select range of new and existing distribution partners and customers to drive sustainable growth.

Offering unique services and products where possible to facilitate growth in both Distribution and Manufacturing.

**Delivered by:**

Investing further in our people and processes.

Focusing on environmental, health and safety credentials to deliver differentiated outcomes for ourselves and our business partners.

Providing thoughtful and engaging insights across our markets driving innovation for ourselves and our business partners.

## Our Results

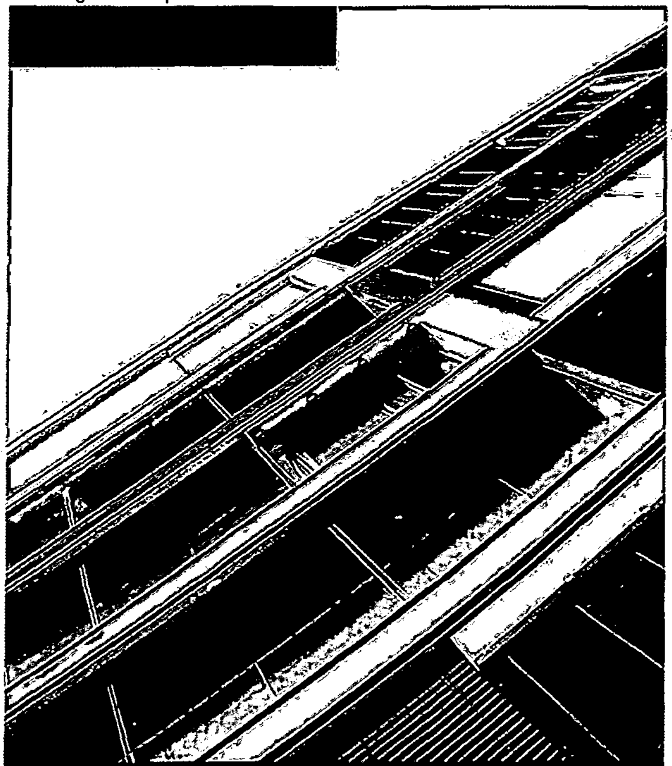
2022/23 showed a good level of growth in our revenue of +11%, delivering £43,786,261 in this financial period. The activity within our Polish unit was particularly strong. Gross profit remained flat year on year as the margin mix within the Group moved against us, £12,482,072 (2021/22 £12,423,997).

Our efforts to deliver the difference to our important Principal partners on the distribution business coupled with the increasing cost of living touching all operating line items, meant our cost base increased year on year leaving us with a small overall loss before tax in the period of -£60,088 (2021/22 +£1,368,689).

Our balance sheet remains robust with a net asset position of £6.5M (2021/2022 £6.8M).

As a business we continue to invest in our teams, our operating capabilities, particularly in our manufacturing operations, and driving a number of long term projects to deliver value to our stakeholders for the years to come.

# Do enjoy our review of the year.



## Our Vision

To be a leading international manufacturer and distributor of inspiring products and exceptional services for the life sciences and performance chemicals markets.

## Our Mission

We will achieve our vision by continuing to value our strong, caring relationships with our key stakeholders – our employees, customers, suppliers, industry bodies and communities. We have an enviable past and will deliver a sustainable future by delivering expertise, innovation, and excellence in everything we do.

# Our Values

**We lead**

Be innovative and ambitious
Be nimble and flexible
Be insightful and proactive

**We care**

Be passionate and have fun
Be collaborative and connect
Be helpful and supportive

**We deliver**

Communicate openly and honestly
Focus on customers first
Take initiative and deliver

**130+**
**staff**

**10**
**UN global compact principles**

**30+**
**geographies served**

**+100**
**principals**

**>700**
**active customers**

**6**
**Giving fund events**

## Accreditations

United Nations Global Compact

ISO

BRCGS

LRQA

**Turnover**
**£43,786,261**
(2021/22: £39,281,187)

# Health & Safety

## This year has seen the continuation of our H&S strategy implementation.

This second year of the strategy implementation has provided us with good progress as we looked to embed roles and responsibilities into the wider organisation with activities such as Risk and COSHH assessment, contractor control, workplace inspections and internal safety audits all being driven by department leads with action plans for improvements generated.

We have continued our focus on training with the Safetyhub platform providing digital content tailored to each department running courses throughout the year and the provision of many training events hosted both on and off site, these included forklift truck, spill and racking inspection training and initiatives to include the wider business such as a driver training programme and mental health first aider training.

We have not had a reportable accident or incident within this period but have managed to capture 155 near miss reports, each one has provided us with a valuable opportunity to assess our activities and consider improvement actions, many of which have been implemented.

This in addition to a new safety suggestion scheme has really highlighted an engaged workforce into our strategy and confirmation that we are on a positive trajectory with Health & Safety.

Whilst important for us to reflect on our performance our focus is now on enhancing our H&S culture and making our driven strategy the new benchmark for future growth.

We have introduced a new digital learning platform with deeper level content and are using it to develop specific learning paths for certain risk areas and activities, these learning paths will provide our staff with a greater set of skills and knowledge to perform their role.

In addition to the new training platform we are continuing to invest in external training provision with a comprehensive schedule of training planned in key areas to again build our knowledge base.

Continuing with the accident/near miss ratio business KPI, we have also introduced an internal audit measure that ensures we review and update all of our internal standard operating procedures and are continuing on our roadmap to achieving ISO45001 during 2023.

The ISO45001 accreditation process is a key measure of the successfulness of our strategy and the communication that all staff have a role to play in its achievement is the consistent message throughout.

The staff willingness to adopt new responsibilities and approach review and change activities with a positive mindset is the real key to our performance so far and this is becoming our culture, not our objective.

# Our Team and Social

## We are proud to share that we have made significant progress in adapting to the new working structure post the pandemic.

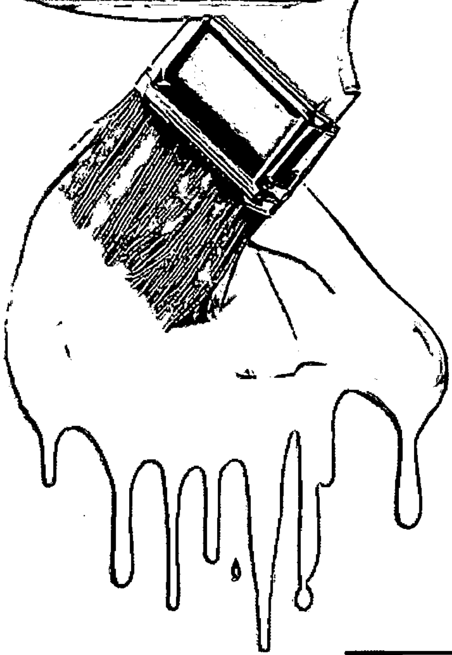
We have learned valuable lessons and implemented a 3-day office and 2-day remote work schedule for eligible employees. Our focus over the past year has been on bringing the teams back together, and we achieved this by organising a summer social event across all our business sites. The event provided an opportunity for our teams to unwind, connect with each other, and foster a truly collaborative and inclusive One Cornelius culture.

Furthermore, we held a successful year-end conference that brought together employees from our UK offices, remote-based teams, and members from the Poland office. The event was split into two parts, an afternoon session where we discussed strategy, products, and our approach for 2023 to set us up for success in the coming year, followed by an evening meal and celebration to recognise the hard work put in by our employees throughout the year.

Our focus on training and development has been consistent, and we have recently rolled out a new Learning Management System that will centralise all training data for all employees. We also continued to blend teaching methods, with a face-to-face programme on internal customer service that was attended by the entire UK business. We understand that delivering exceptional and differentiated service to our customers starts with exceptional internal customer service with our colleagues.

We take the wellbeing of our employees seriously, and that's why our People programmes have a strong focus on supporting our employees' wellbeing throughout the year. We provide ways to improve and increase our wellbeing, so we don't just react to a problem, we are better equipped to approach challenges that life may throw at us. Last year, we organised several events to support employee wellbeing, such as a health and wellness 3-week challenge and a Mental Health First Aid team that set up events throughout the year, including Tea and Talk, Talk and Walk, and other activities like sleep and meditation. We also celebrated Pride month and encouraged employee participation in different events that would interest them.

Aligned with our focus on Environmental, Social, and Governance (ESG) matters, we recognise our personal responsibility to make a positive impact in the world. Led by our employees, our Giving Fund initiative last year focused on supporting communities both at home and abroad. Through fundraising efforts, we raised money for our charity partner, Sparkle Foundation Malawi. We were thrilled to witness the return of a volunteer trip to Sparkle Centre in Zomba, Malawi.
In our ongoing commitment to supporting communities closer to home, we have continued to provide our employees with the opportunity to participate in a Giving Day, in addition to their regular holiday leave. This initiative allows them to dedicate their time to causes that hold personal significance. Last year, our employees demonstrated remarkable passion and dedication as they embraced this opportunity, engaging in impactful endeavours such as volunteering at their children's schools, organising relief efforts for refugees, and leading activities in care homes. Their efforts exemplify our shared commitment to creating positive change in the world.



## At Cornelius, we believe in creating an inclusive and engaged workplace where every employee has a voice.

To ensure that we continue to foster a positive work environment, we conduct an annual all-employee engagement survey. The survey is designed to help us understand and track how our employees feel about the company, their role, and the different areas that affect their work. Based on the feedback we receive, we create data-driven people plans for the year, and work with each department to focus on the areas that matter most to our employees.

We are proud to report that our overall business engagement rate has increased for the second year in a row since we started this process. This is a testament to our ongoing commitment to listening to and acting on the feedback of our employees. We will continue to drive individual plans by department to ensure that our teams are focused on the right things, and to give employees a voice in shaping the future of our company.

best companies™

Development of the Cornelius brand identity has been an important focus for the year. We delivered appealing content on our social media platforms and we published 12 thought leadership pieces showcasing our capabilities, expertise and portfolio offerings. In the last year we have improved our engagement rate by a full 4 percentage points taking us on average to +10% engagement across all our activity. In the same period our followers have increased by 30%. Our principals see value in this activity as we deliver clear messaging on performance and functionality of the product range. Our journey continues, we will learn more and build further from these strong foundations, developing the Cornelius brand into the future.

# Manufacturing

We continue to be committed to significant investment in our manufacturing capability. This year we upgraded a number of pieces of analytical equipment and started a process to expand our quality control laboratories. Refurbishment of this space is currently in progress and the expansion will allow us to continue to invest in our analytical technologies to support our ongoing growth plans of our manufacturing facility.

Technological upgrades continue to be a focus, this year we upgraded our asset register to give us better transparency on all our assets, with a goal to use the data collected to improve equipment reliability and tracking of critical spares, with an overall focus on improved productivity.

A new Manufacturing Excellence Team audited our manufacturing site to identify short-, medium- and long-term improvements. The results of this audit are now feeding activities into our continuous improvement programme and delivering sustainable improvements. The actions so far have resulted in some 'quick wins' in terms of work flow, improved documentation and visual management systems.

As we invest in our future growth, this year, we added a further project to our strategic plans which will see us add capacity to our MTMA and IBOMA production lines. This work is currently in progress and is expected to complete in H1.

# Growth & Innovation

Our Innovation & Technology team work closely with the in-house manufacturing operations to ensure we deliver against our exacting quality standards for our ocular products. Focus on quality control, manufacturing process development and technical advice remains key to driving an efficient internal operation. The Innovation team are also engaging with the commercial teams to capture new market opportunities, assess these potential business drivers and help develop products to solve the unmet needs identified. We are just embarking on a new round of strategic planning and investigation to ensure our business has an ongoing pipeline of value 5 years from now. This important work will focus on matching our internal commercial and core technological strengths against a market place looking for innovation for future prosperity.

Our network of third-party manufacturing partners continues to develop. These partners are fundamental in delivering the growth from the current projects running through the commercialisation process. This style of approach allows us to be asset light and keep the flexibility required to address differing product needs across the sectors that we serve. Our bio-based Corthix and Cormelt product range, focussed on the surface coatings sector, demonstrate what we can do as a business in delivering against customer needs helping drive their business and ours. This project has moved into the mainstream business activities now.

Our patented Cor-Sil Avance™ product, focussed on the beauty sector, continues to develop in strength. We are partnered with Dcypher delivering this technology to consumers via their online presence. Work continues to deepen our market reach and extend our list of prospects in the high-end cosmetics manufacturing sector as we deliver against the need for lower waste and lower energy usage without compromising on quality or performance.


## The UN Global Compact Principles

1. Businesses should support and respect the protection of internationally proclaimed human rights.
2. Businesses should ensure that they are not complicit in human rights abuses.
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. The elimination of all forms of forced and compulsory labour.
5. The effective abolition of child labour.
6. The elimination of discrimination in respect of employment and occupation.
7. Businesses should support a precautionary approach to environmental challenges.
8. Undertake initiatives to promote greater environmental responsibility.
9. Encourage the development and diffusion of environmentally friendly technologies.
10. Businesses should work against corruption in all its forms, including extortion and bribery.

# Environmental

## Environmental Team

It is clear that within the last 2 years, discussions, understanding and activities on everyone's environmental impact has moved mainstream. We are in our second year of our internal Environmental Team ("E-Team") which has the remit to measure and help drive our activities to minimise our impact on the environment. This has been a tough learning journey as we struggle to find data, understand data and indeed measure our activities in a consistent and routine manner. We have made progress to understand our starting point across scope 1,2 and 3 emissions, but much remains to understand and consider. The team aim to eliminate, reduce or offset our CO2 emissions. The CEO provides overall sponsorship for this focus and the business is committed to investing in the right way to help negate our impact. We are just starting out on this important journey but we know time is against us.

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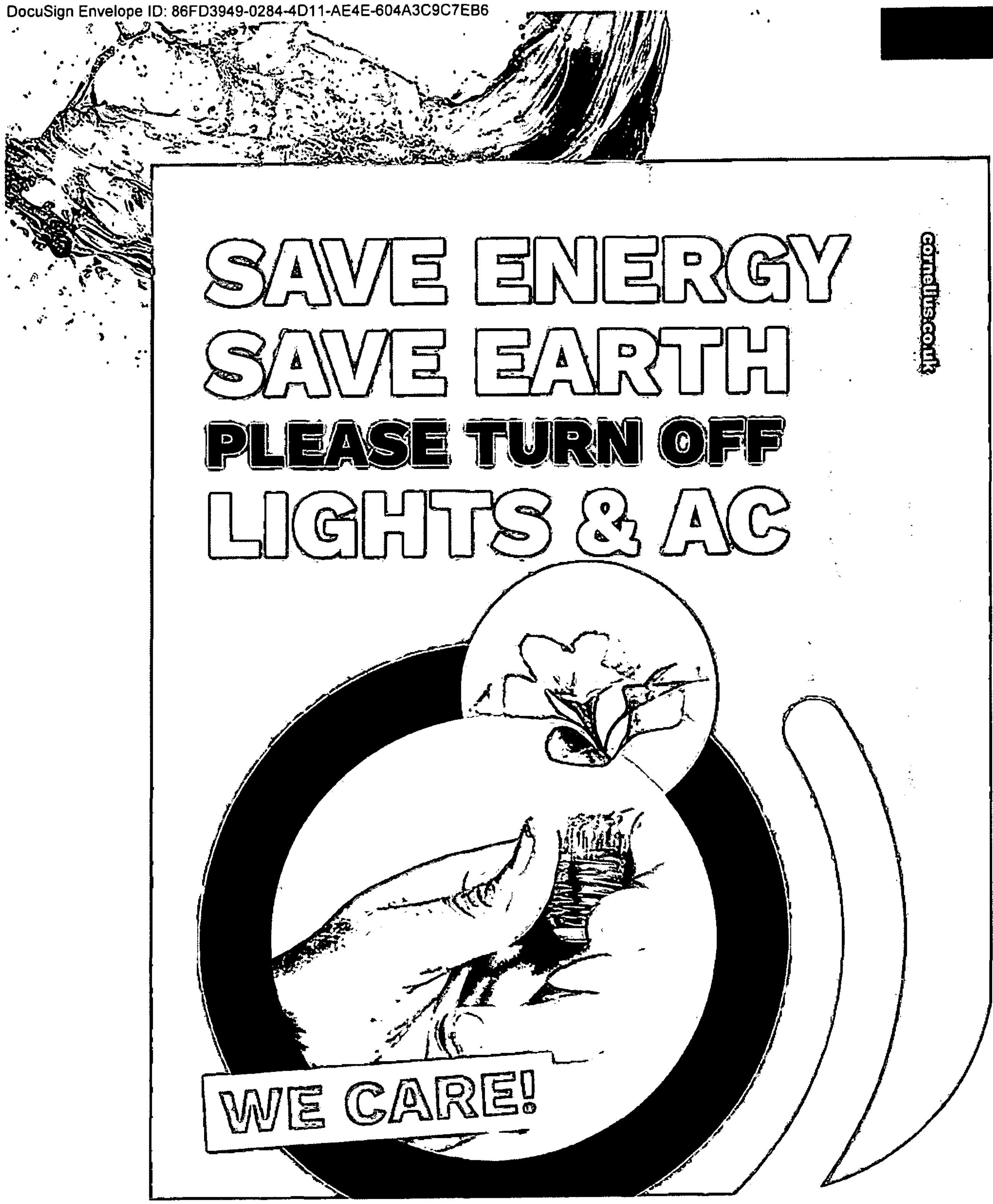



Cornelius
E-Team

[redacted]

[redacted]

[redacted]

[redacted]

# Governance

The Board of Directors is committed to achieving high standards in corporate governance. The Board represents shareholders and has the ultimate responsibility for managing Cornelis Group PLC's business. The Board operates on the principle that all significant matters are dealt with by the full Board and has specifically reserved matters for its decisions, these include:

- The strategic direction of the Company
- Any change to the capital or corporate structure
- Approving budgets and other performance indicators, reviewing performance against them and initiating corrective action when required
- Approval of the annual report and accounts
- Approval of the dividend policy
- Ensuring that there are adequate systems and procedures to identify, assess and manage risks
- Determining the remuneration policy for the directors, company secretary and senior executives

To assist in its deliberations, the Board has three main committees which, apart from routine matters, act primarily in a review or advisory capacity. These are the Nominations Committee, Audit Committee and Remuneration Committee.

The matters reserved are reviewed anually to ensure they reflect the needs of the business and the shareholders. All directors undertake regular training to ensure they are fully aware of their responsibilites as directors and current legislation.

We follow Corporate best practice changes and where applicable bring these practices into our working routines. Clearly driving control and best practice from the leadership.

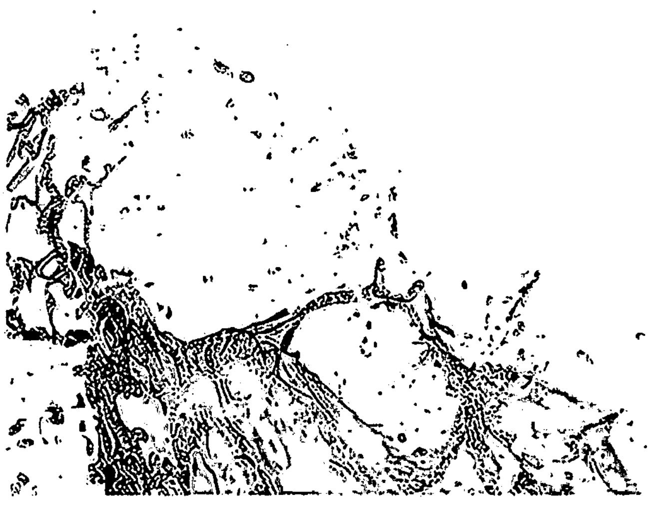
# s172 Statement

Having regard to the matters set out in s172 (a-f) of the Companies Act 2006, the Board of directors and the executive management team share this report in its entirety to demonstrate how they recognise and accept their responsibilities to run the business for the benefit of the wider pool of stakeholders. We are committed to continuing our focus on developing a sustainable, efficient and environmentally responsible business.

The Board will maintain its links to all stakeholders through the projects listed above and future projects to strive to meet our goals. In the next section, we discuss the principal risks and uncertainties the business faces, alongside our mitigation strategies. Please read this in conjunction with the rest of the strategic report, as this reflects a balanced, risk-based management of our activities to not only survive, but to thrive.

# Principal Risks & Uncertainties:

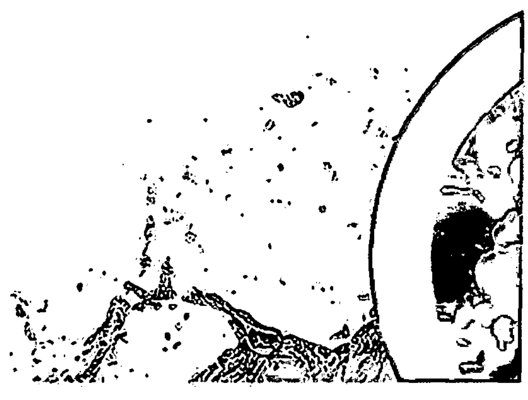
The multinational nature of the Group means it is exposed to a number of risks including socio-economic, commercial, political and financial. At the Board and Executive Management Team levels, the Group operates a strong risk register approach to identifying risks, understanding them and where necessary, developing mitigation plans. The management team and the whole Group continues to protect our people and our business. We have created safe working practices and taken a tight control on cash. Our financial strength and speed of action has allowed us to successfully trade through another difficult year.

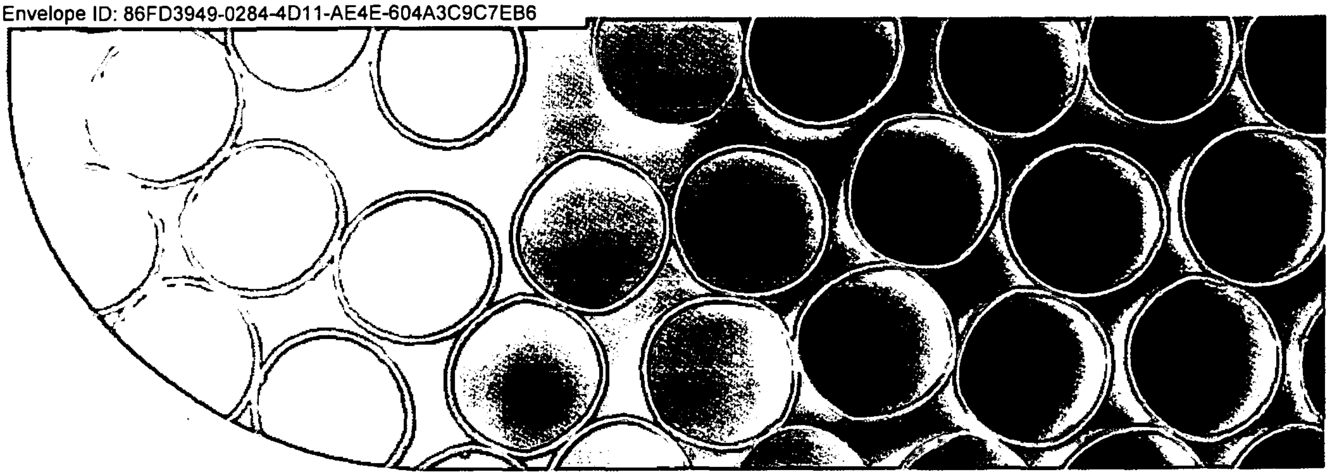


The Group uses various financial instruments, including overdrafts, cash and other items, such as forward foreign exchange contracts. The main purpose of these financial instruments is to raise finance for the Group's operations and to protect against currency movements.

All transactions in derivatives are undertaken to manage the risks arising from the underlying business activities and no transactions of a speculative nature are undertaken.

The main risks from the Group's financial instruments are currency risk, liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks, which are summarised below.





## Currency risk

The Group is exposed to translation and transaction foreign exchange risks. It carries forward exchange contracts to mitigate the exposure at an overall cash flow level, mapping currency flows across the Group. Whilst the aim is to achieve an economic hedge, the Group does not adopt a policy of hedge accounting within these financial statements.

## Interest rate risk

The Group finances its operations through a mixture of retained profits and overdraft facilities. The Group minimises exposure to interest rate fluctuations on its overdraft facilities by securing borrowing on the level of trade debtors.

## Liquidity risk

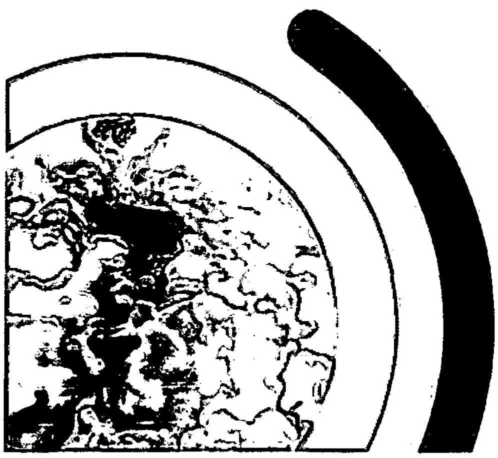
The Group manages liquidity risk through a daily monitor of cash position including indebtedness and free cash available. Short term needs are easily met within the current borrowing facilities based on the level of trade debtors and a trade finance facility based on supplier invoices. The annual budgeting and interim forecasting exercises allow for a forward-looking cash view to plan appropriately.

## Credit risk

The Group's principal financial assets are inventory and trade debtors, with the main risk arising from its trade debtors. The directors take active steps to ensure controls are in place to evaluate, monitor and respond to changes in credit risk on a customer by customer basis in order to objectively minimise the credit risk to the Group.

## Political risk

As a multinational business, the directors review the political situation regularly, ensuring compliance with any known sanctions.



This report was approved on

22 - 6 - 2023

and signed on its behalf

**Dr N D Prior, Chairman and Director**

# Directors' Report
## for the year ended 31 January 2023

**The directors present their report and the financial statements for the year ended 31 January 2023:**

Some disclosures that would normally be made in the Directors' Report are included in the Strategic Report. These include a review of principal risks and uncertainties facing the business, an indication of the likely future developments in the business of the Group and an indication of the activities of the Group in the field of chemical manufacturing and distribution.

### Results and dividends
The loss for the year, after taxation and minority interests, amounted to £705,618 (2022 profit of: £1,002,157). During the year the Company paid a dividend of £291,091 (2022: nil).

### Research and development
The Group continues to invest in R&D projects and resources to develop future value. Investment is focused on enhancing the knowledge of our innovation team working across two facilities in the UK.

### Directors
The directors who served during the year and to the date of this report,except as stated otherwise, were:

**Dr N D Prior**
**D Spiby**
**G E Fisher**
**P T Gibbons**
**P Cartwright**
**D Moore (Appointed 1st June 2022)**

### Statement of Directors' responsibilities

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, and applicable law, including FRS 102 (The Financial Reporting Standard Applicable in the United Kingdom 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 and profit or loss of the Company and the Group 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.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and 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 and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included in the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Qualifying third party indemnity provisions

The Company has maintained appropriate Directors' and Officers' liability insurance in respect of its directors throughout the year and to the date of this report.

## Post balance sheet events

There have been no significant events affecting the company since the year end.

## Disclosure of information to the auditor

The directors confirm that:

- So far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware and
- The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved on

22-6-2023

and signed on its behalf

**Dr N D Prior, Chairman and Director**

# Independent auditor's report
# To the members of Cornelius Group PLC

Grant Thornton

**Opinion**

We have audited the financial statements of Cornelius Group Plc Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2023, which comprise which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows 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 group's and of the parent company's affairs as at 31 January 2023 and of the group's loss 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 group and the parent 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**

We are responsible for concluding 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 group's and the parent 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 report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as the cost of living crisis and the conflict in Ukraine, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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 group's and the parent 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 and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report and financial statements. 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 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 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 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.

# Independent auditor's report
# To the members of Cornelius Group PLC

Grant Thornton

**Matter on which we are required to report under the Companies Act 2006**

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

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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

· the parent company 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 statement of directors' responsibilities, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

**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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

# Independent auditor's report
# To the members of Cornelius Group PLC

GrantThornton

· We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the industry in which it operates. We determined that the following laws and regulations were most significant: Companies Act 2006, Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements including those laws and regulations relating to taxation laws.

· We understood how the Group is complying with those legal and regulatory frameworks by making enquiries of management and of the Group's legal counsel. We corroborated our enquiries through our review of board minutes.

· We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:

- Identifying and assessing the design and implementation of controls management has in place to prevent and detect fraud;

- Challenging assumptions and judgements made by management in its significant accounting estimates; and

- Identifying and testing those journal entries matching certain risk criteria.

· These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

· The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

- understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation; and

- knowledge of the industry in which the client operates.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 auditor's report.

# Independent auditor's report
# To the members of Cornelius Group PLC

Grant Thornton

### 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.

Grant Thornton UK LLP

**Stephen Wyborn**
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge

Date: 27/7/2023

# Consolidated Statement of Comprehensive Income for the year ended 31st January 2023

| | Notes | 2023 £ | 2022 £ |
|---|---|---|---|
| Turnover | 4 | **43,786,261** | 39,281,187 |
| Cost of sales | | **(31,304,189)** | (26,857,190) |
| **Gross profit** | | **12,482,072** | 12,423,997 |
| Distribution costs | | **(650,093)** | (598,285) |
| Administrative expenses | | **(11,893,880)** | (10,808,868) |
| Other operating income | 5 | **214,000** | 450,000 |
| **Operating profit** | 6 | **152,099** | 1,466,844 |
| Interest receivable and similar income | 10 | **1,400** | 7,297 |
| Interest payable and similar charges | 11 | **(213,587)** | (105,452) |
| **(Loss)/ Profit before taxation** | | **(60,088)** | 1,368,689 |
| Tax on (Loss) / profit | 12 | **(331,821)** | (205,180) |
| **(Loss)/ Profit for the financial year** | | **(391,909)** | 1,163,509 |
| Exchange differences arising on retranslation of overseas subsidiaries | | **289,723** | (211,628) |
| **Total comprehensive (expense)/ income for the year** | | **(102,186)** | 951,881 |
| **(Loss) / Profit for the financial year attributable to:** | | | |
| Non-controlling interests | | **313,710** | 161,352 |
| Owners of the parent company | | **(705,618)** | 1,002,157 |
| | | **(391,909)** | 1,163,509 |
| **Total comprehensive (expense)/ income for the year attributable to:** | | | |
| Non-controlling interest | | **313,710** | 161,352 |
| Owners of the parent company | | **(415,895)** | 790,529 |
| | | **(102,186)** | 951,881 |

There were no recognised gains and losses for 2023 or 2022 other than those included in the Consolidated Statement of Comprehensive Income.

The notes on pages 37 to 61 form part of these financial statements.

# Consolidated statement of financial position as at 31st January 2023

| | Notes | | 2023 | | 2022 |
|---|---|---|---|---|---|
| | | | £ | | £ |
| **Fixed assets** | | | | | |
| Intangible assets | 14 | | 187,861 | | 95,315 |
| Tangible assets | 15 | | 2,068,590 | | 1,806,539 |
| | | | 2,256,451 | | 1,901,854 |
| **Current assets** | | | | | |
| Stocks | 17 | 9,424,923 | | 6,342,220 | |
| Debtors: amounts falling due within one year | 18 | 8,850,132 | | 8,417,916 | |
| Cash at bank and in hand | 19 | 1,008,148 | | 344,839 | |
| | | 19,283,203 | | 15,104,975 | |
| Creditors: amounts falling due within one year | 21 | (14,929,046) | | (10,018,684) | |
| **Net current assets** | | | 4,354,157 | | 5,086,291 |
| **Total assets less current liabilities** | | | 6,610,608 | | 6,988,145 |
| Creditors: amounts falling due after more than one year | 22 | | (23,336) | | (52,698) |
| **Provisions for liabilities** | | | | | |
| Deferred taxation | 25 | (119,504) | | (122,530) | |
| | | | (119,504) | | (122,530) |
| **Net assets** | | | 6,467,769 | | 6,812,917 |

# Consolidated statement of financial position (continued) as at 31st January 2023

| | Notes | 2023 £ | 2022 £ |
|---|---|---|---|
| **Capital and reserves** | | | |
| Called up share capital | 26 | **363,785** | *360,585* |
| Share premium account | 27 | **617,403** | *569,403* |
| Capital redemption reserve | 27 | **268,302** | *268,302* |
| Treasury share reserve | 27 | **3,790** | *6,990* |
| Other reserves | 27 | **476,066** | *476,066* |
| Profit and loss account | 27 | **3,741,507** | *4,448,364* |
| **Equity attributable to owners of the parent company** | | **5,470,853** | *6,129,710* |
| Non-controlling interests | | **996,916** | *683,206* |
| | | **6,467,769** | *6,812,917* |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22-6-23

**Dr ND Prior**
Chairman and Director

The notes on pages 37 to 61 form part of these financial statements.

Company Registration Number: 1936460

# Company statement of financial position as at 31st January 2023

| | Notes | | 2023 £ | | 2022 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Intangible assets | 14 | | 27,902 | | 27,347 |
| Tangible assets | 15 | | 755,946 | | 547,561 |
| Investments | 16 | | 2,561,653 | | 2,561,653 |
| | | | 3,345,502 | | 3,136,561 |
| **Current assets** | | | | | |
| Stocks | 17 | 2,188,798 | | 2,712,041 | |
| Debtors: amounts falling due within one year | 18 | 3,420,799 | | 4,769,489 | |
| Cash at bank and in hand | 19 | - | | 11,818 | |
| | | 5,609,597 | | 7,493,348 | |
| Creditors: amounts falling due within one year | 21 | (8,735,662) | | (7,929,494) | |
| **Net current liabilities** | | | (3,126,065) | | (436,146) |
| **Total assets less current liabilities** | | | 219,437 | | 2,700,415 |
| Creditors: amounts falling due after more than one year | 22 | | (32,040) | | (32,040) |
| **Net assets** | | | 187,397 | | 2,668,375 |
| **Capital and reserves** | | | | | |
| Called up share capital | 26 | | 363,785 | | 360,585 |
| Share premium account | 27 | | 617,403 | | 569,403 |
| Capital redemption reserve | 27 | | 268,302 | | 268,302 |
| Treasury share reserve | 27 | | 3,790 | | 6,990 |
| Profit and loss account | 27 | | (1,065,883) | | 1,463,095 |
| **Shareholders' funds** | | | 187,397 | | 2,668,375 |

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent company for the year was £2,237,959 (2022 Profit of: £801,430).

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

22-6-23

**Dr N D Prior, Chairman and Director**

The notes on pages 37 to 61 form part of these financial statements.

# Consolidated Statement of Changes in Equity for the year ended 31st January 2023

| | Called up share capital | Share premium account | Capital redemption reserve | Treasury share reserve | Other reserves | Profit and loss account | Equity attributable to owners of parent company | Non controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| At 1 February 2022 | 360,585 | 569,403 | 268,302 | 6,990 | 476,066 | 4,448,364 | 6,129,710 | 683,206 | 6,812,916 |
| Profit for the year | - | - | - | - | - | (705,618) | (705,618) | 313,710 | (391,909) |
| Foreign exchange movement | - | - | - | - | - | 289,781 | 289,781 | - | 289,781 |
| **Other comprehensive loss for the year** | - | - | - | - | - | 289,781 | 289,781 | - | (289,781) |
| **Total comprehensive income for the year** | - | - | - | - | - | (415,895) | (415,895) | 313,710 | (102,128) |
| **Contributions by and distributions to owners** | | | - | - | - | - | | - | - |
| Dividends payable (See note 13) | - | - | - | - | - | (291,019) | (291,019) | - | (291,019) |
| Shares reissued from treasury share reserve in the year | 3,200 | 48,000 | - | (3,200) | - | - | 48,000 | - | 48,000 |
| **At 31 January 2023** | 363,785 | 617,403 | 268,302 | 3,790 | 476,066 | 3,741,507 | 5,470,853 | 996,916 | 6,467,769 |

The notes on pages 37 to 61 form part of these financial statements.

# Consolidated Statement of Changes in Equity for the year ended 31st January 2022

| | Called up share capital | Share premium account | Capital redemption reserve | Treasury share reserve | Other reserves | Profit and loss account | Equity attributable to owners of parent company | Non controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| At 1 February 2021 | 359,335 | 550,653 | 268,302 | 8,240 | 476,066 | 3,657,835 | 5,320,431 | 619,815 | 5,940,246 |
| Profit for the year | - | - | - | - | - | 1,002,157 | 1,002,157 | 161,352 | 1,163,509 |
| Foreign exchange movement | - | - | - | - | - | (211,628) | (211,628) | - | (211,628) |
| **Other comprehensive loss for the year** | - | - | - | - | - | (211,628) | (211,628) | - | (211,628) |
| **Total comprehensive income for the year** | - | - | - | - | - | 790,529 | 790,529 | 161,352 | 951,881 |
| **Contributions by and distributions to owners** | | | - | - | - | - | | - | |
| Dividends payable (See note 13) | - | - | - | - | - | - | - | (97,961) | (297,961) |
| Shares reissued from treasury share reserve in the year | 1,250 | 18,750 | - | (1,250) | - | - | 18,750 | - | 18,750 |
| **At 31 January 2022** | 360,585 | 569,403 | 268,302 | 6,990 | 476,066 | 4,448,364 | 6,129,710 | 683,206 | 6,812,916 |

The notes on pages 32 to 46 form part of these financial statements.

# Company statement of changes in equity for the year ended 31st January 2023

| | Called up share capital £ | Share premium account £ | Capital redemption reserve £ | Treasury share reserve £ | Profit and loss account £ | Total equity £ |
|---|---|---|---|---|---|---|
| At 1 February 2022 | 360,585 | 569,403 | 268,302 | 6,990 | 1,463,095 | 2,668,375 |
| Profit for the year | - | - | - | - | (2,237,959) | (2,237,959) |
| **Total comprehensive income for the year** | - | - | - | - | (2,237,959) | (2,237,959) |
| Dividends paid (see note 13) | - | - | - | - | (291,019) | (291,019) |
| Shares reissued from treasury share reserve during the year | 3,200 | 48,000 | - | (3,200) | - | 48,000 |
| **Total transactions with owners** | 3,200 | 48,000 | - | (3,200) | (291,019) | (121,019) |
| **At 31 January 2023** | 363,875 | 617,403 | 268,302 | 3,790 | (1,065,883) | 187,397 |

# Company statement of changes in equity for the year ended 31st January 2022

| | Called up share capital £ | Share premium account £ | Capital redemption reserve £ | Treasury share reserve £ | Profit and loss account £ | Total equity £ |
|---|---|---|---|---|---|---|
| At 1 February 2021 | 359,335 | 550,653 | 268,302 | 8,240 | 661,397 | 1,847,927 |
| Profit for the year | - | - | - | - | 801,698 | 801,698 |
| **Total comprehensive income for the year** | - | - | - | - | 801,698 | 175,788 |
| Dividends paid (see note 13) | - | - | - | - | - | - |
| Shares reissued from treasury share reserve during the year | 1,250 | 18,750 | - | (1,250) | - | 18,750 |
| **Total transactions with owners** | 1,250 | 18,750 | - | (1,250) | - | 18,750 |
| **At 31 January 2022** | 360,585 | 569,403 | 268,302 | 6,990 | 1,463,095 | 2,668,375 |

The notes on pages 37 to 61 form part of these financial statements.

# Consolidated statement of cash flows for the year ended 31st January 2023

| | 2023 £ | 2022 £ |
|---|---|---|
| **Cash flows from operating activities** | | |
| (Loss)/ Profit for the financial year | **(391,909)** | 1,163,509 |
| **Adjustments for:** | | |
| Amortisation of intangible assets | **40,768** | 89,930 |
| Depreciation of tangible assets | **370,598** | 356,947 |
| Loss on disposal of tangible assets | **-** | 113,038 |
| Interest paid | **213,587** | 105,452 |
| Interest received | **(1,400)** | (7,297) |
| Taxation charge | **331,821** | 205,180 |
| (Increase)/decrease in stocks | **(3,082,703)** | (996,129) |
| (Increase)/decrease in debtors | **(456,748)** | (586,886) |
| Increase in creditors | **4,263,261** | 982,053 |
| Corporation tax received/(paid) | **(145,105)** | (40,477) |
| Foreign exchange movement | **289,723** | (211,446) |
| Fair value movement on forward exchange contracts | **(91,719)** | (239,506) |
| **Net cash generated from operating activities** | **1,340,173** | 934,368 |
| **Cash flows from investing activities** | | |
| Purchase of intangible fixed assets | **(133,313)** | (35,695) |
| Purchase of tangible fixed assets | **(632,649)** | (487,066) |
| Interest received | **1,400** | 7,297 |
| **Net cash outflow from investing activities** | **(764,562)** | (515,464) |

# Consolidated statement of cash flows (continued) for the year ended 31st January 2023

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| ***Cash flows from financing activities*** | | |
| Issue of ordinary shares | **48,000** | 18,750 |
| New secured loans | - | (50,000) |
| Dividends paid | **(291,019)** | (97,961) |
| Interest paid | **(213,587)** | (105,452) |
| **Net cash used in financing activities** | **(456,606)** | (234,663) |
| **Net increase in cash and cash equivalents** | **119,005** | 184,241 |
| Cash and cash equivalents at beginning of year | **(3,132,657)** | (3,316,898) |
| **Cash and cash equivalents at the end of year** | **(3,013,652)** | (3,132,657) |
| **Cash and cash equivalents at the end of year comprise:** | | |
| Cash at bank and in hand | **640,334** | 344,839 |
| Bank overdrafts | **(3,653,985)** | (3,477,496) |
| | **(3,013,651)** | (3,132,657) |

The notes on pages 37 to 61 form part of these financial statements.

# Notes to the financial statements for the year ended 31st January 2023

## 1. General information

Cornelius Group Plc is a private company limited by shares and incorporated in England and Wales. The registered office address of the company is Cornelius House, Woodside, Dunmow Road, Bishops Stortford, Hertfordshire, CM23 5RG.

The principal activities of the group for the year were the supply and manufacture of high quality specialty chemicals and associated products to a broad range of industries. The company specializes in the former.

## 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 financial statements of the group and company are presented in sterling which is the presentational currency of the group and are rounded to the nearest pound.

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

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

### 2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 January 2016.

The results of subsidiaries included in the consolidated results are for the year ended 31 January 2023 with the exception of Cornelius Rus LLC which prepares its results for the calendar year ended 31 December 2022.

# Notes to the financial statements for the year ended 31st January 2023

## 2. Accounting policies (continued)

### 2.3 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemption, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders.

**The company has taken advantage of the following in its individual financial statements:**

**i.** From preparing a statement of cash flows, on the basis that it is a qualifying entity and the Consolidated Statement of Cash Flows, included in these financial statements, includes the company's cash flows;

**ii.** From the financial instrument disclosures, required under FRS 102 paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii) and 11.48(a)(iv), 11.48(b), 11.48(c) and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;

**iii.** From disclosing the company key management personnel compensation as required by FRS 102 paragraph 33.7.

### 2.4 Going concern

The directors have prepared detailed forecasts that show the group and the parent company will have sufficient financial resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements.

In preparing these forecasts the directors have made certain assumptions around forecast revenue and cash flows which they believe are prudent. This exercise included "stress testing" the forecast to identify how low the revenue can go before it becomes critical for the overall operations. Activity across the business has started well in the new financial year but the directors continue to monitor closely the UK market particularly given the clear economic frailty of the past few months.

The management of cash availability remains a key metric. The Group continues to have access to the long standing invoice discounting facility in both UK and Poland. This facility has recently been supplemented with a Trade Finance option on the supply side to provide ongoing liquidity as the business grows throughout 2023 and beyond. The directors are confident that these facilities will remain available to them for the foreseeable future. Accordingly, the directors have continued to prepare these financial statements on a going concern basis.

### 2.5 Revenue

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

# Notes to the financial statements for the year ended 31st January 2023

### Sale of goods

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

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

The criteria above are typically met upon final delivery to the customer.

### 2.6 Intangible assets

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

Intangible assets are amortised using the reducing balance method. Amortisation is provided on the following bases:

Distribution rights - 20 - 33 %

### 2.7 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 31st January 2023

## 2. Accounting policies (continued)

### 2.7 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Leasehold property improvements Plant & machinery Motor vehicles Fixtures & fittings

- over the period of the lease straight line
- over 3 to 15 years straight line
- 25% reducing balance
- over 3 to 15 years straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the Consolidated Statement of Comprehensive Income.

### 2.8 Research and development costs

Research and development expenditure is written off in the year that it is incurred.

### 2.9 Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

### 2.10 Stocks

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 reporting 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.

### 2.11 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.

# Notes to the financial statements for the year ended 31st January 2023

## 2. Accounting policies (continued)

### 2.12 Cash and cash equivalents

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

### 2.13 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year , typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

The group uses forward foreign exchange contracts to reduce exposure to foreign exchange rates.

Forward exchange contracts are initially measured at fair value on the date on which the contract is entered into and are subsequently measured at fair value through the Consolidated Statement of Comprehensive Income. Forward exchange contracts are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

### 2.14 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.

# Notes to the financial statements for the year ended 31st January 2023

## 2. Accounting policies (continued)

### 2.15 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 the Consolidated Statement of Comprehensive Income 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 (e.g. furlough) are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

### 2.16 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income 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.

### 2.17 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.

### 2.18 Operating leases: the group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

### 2.19 Pensions

**Defined contribution pension plan**

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group 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 Consolidated Statement of Financial Position. The assets of the plan are held separately from the group in independently administered funds.

### 2.20 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

### 2.21 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred,

# Notes to the financial statements for the year ended 31st January 2023

## 2. Accounting policies (continued)

### 2.22 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 reporting date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 reporting date.

## 3. Judgements in applying accounting policies 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 for assets and liabilities, as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following item is the key estimate that has had the most significant effect on amounts recognised in the financial statements.

### Stock provisions

The group makes a provision against slow moving stock to reduce the value of stock to its net realisable value. Provisions are based on expiry dates of products and the likelihood of sale of goods before their expiry date and are therefore subject to estimates and judgements made by management.

# Notes to the financial statements for the year ended 31st January 2023

## 4. Turnover

The whole of the turnover is attributable to the principal activity of the group.

| Analysis of turnover by country of destination: | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| United Kingdom | **16,711,362** | *20,644,408* |
| Rest of Europe | **25,427,734** | *17,338,245* |
| Rest of the world | **1,647,165** | *1,298,534* |
| | **43,786,261** | *39,281,187* |

## 5. Other operating income

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Insurance settlement | **214,000** | *450,000* |
| | **214,000** | *450,000* |

In 2022/2023 the group received an interim settlement for a business interruption insurance claim.

## 6. Operating profit

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| The operating profit is stated after charging/(crediting:) | | |
| Research & development charged as an expense | **307,137** | *304,780* |
| Depreciation of tangible fixed assets | **370,599** | *356,947* |
| Amortisation of intangible assets | **40,768** | *89,930* |
| Net foreign exchange losses | **(11,847)** | *282,862* |
| Movement in fair value of forward exchange contracts | **(93,841)** | *(239,506)* |
| Plant & equipment operating lease rentals | **55,908** | *81,770* |
| Other operating lease rentals | **503,278** | *514,667* |

# Notes to the financial statements for the year ended 31st January 2023

## 7. Auditor's remuneration

| | 2023 £ | 2022 £ |
|---|---|---|
| Fees payable to the group's auditor and its associates for the audit of the group's annual accounts | **60,976** | *51,500* |

Fees payable to the group's auditor and its associates in respect of:

| | 2023 £ | 2022 £ |
|---|---|---|
| The auditing of accounts of associates of the group pursuant to legislation | **21,939** | *18,400* |
| Accounts preparation services | **3,090** | *5,100* |
| Tax compliance services | **7,828** | *14,398* |
| Tax advisory services | **8,704** | *13,173* |
| | **41,561** | *51,072* |

## 8. Employees

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

| | Group 2023 £ | *Group 2022 £* | Company 2023 £ | *Company 2022 £* |
|---|---|---|---|---|
| Wages and salaries | **7,093,687** | *6,364,139* | **5,161,898** | *4,796,034* |
| Social security costs | **880,048** | *783,847* | **636,487** | *587,622* |
| Cost of defined contribution pension scheme | **386,392** | *324,103* | **280,878** | *285,050* |
| | **8,360,128** | *7,472,089* | **6,079,262** | *5,668,706* |

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

| | Group 2023 No. | *Group 2022 No.* | Company 2023 No. | *Company 2022 No.* |
|---|---|---|---|---|
| **Sales** | **42** | *35* | **23** | *21* |
| **Production** | **26** | *24* | - | - |
| **Research and development** | **7** | *8* | **7** | *8* |
| **Distribution** | **29** | *21* | **21** | *16* |
| **Administration** | **38** | *47* | **31** | *35* |
| | **142** | *135* | **82** | *80* |

# Notes to the financial statements for the year ended 31st January 2023

## 9. Directors' remuneration

| | 2023 £ | 2022 £ |
|---|---|---|
| Directors' emoluments | **1,933,451** | *1,992,770* |
| Company contributions to defined contribution pension schemes | **32,257** | *50,796* |
| | **1,965,708** | *2,043,566* |

During the year retirement benefits were accruing to 3 directors (2022: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £1,270,907 (2022: £1,217,609).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,000 (2022: £4,000).

## 10. Interest receivable

| | 2023 £ | 2022 £ |
|---|---|---|
| Other interest receivable | **1,400** | *7,297* |

## 11. Interest payable and similar expenses

| | 2023 £ | 2022 £ |
|---|---|---|
| Bank interest payable | **213,587** | *105,452* |
| | **213,587** | *105,452* |

# Notes to the financial statements for the year ended 31st January 2023

## 12. Taxation

| | 2023 £ | 2022 £ |
|---|---|---|
| **Current tax** | | |
| Current tax on profits for the year | - | - |
| Adjustments in respect of previous periods | - | (67,251) |
| **Foreign tax** | | |
| Foreign tax on income for the year | 334,847 | 205,180 |
| **Total current tax** | 334,847 | 149,791 |
| **Deferred tax** | | |
| Origination and reversal of timing differences | (3,026) | 24,775 |
| Adjustment in respect of previous years | - | 34,825 |
| Effect of tax rate change on opening balance | - | (4,211) |
| **Total deferred tax** | (3,026) | 55,389 |
| **Taxation on profit on ordinary activities** | 331,821 | 205,180 |

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2022: higher 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 | (60,088) | 1,368,689 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%) | (11,417) | 260,051 |
| **Effects of:** | | |
| Expenses not deductible for tax purposes | - | 2,811 |
| Adjustments to tax charge in respect of prior years | (191,023) | (32,426) |
| Adjust deferred tax to closing rate | - | (4,211) |
| Deferred tax not recognised | 534,261 | (21,405) |
| **Total tax charge for the year** | 331,821 | 205,180 |

# Notes to the financial statements for the year ended 31st January 2023

## 12. Taxation (continued)

**Factors that may affect future tax charges**

Factors that may affect future tax charges
In the Spring Budget 2021, the Chancellor announced the corporate tax rate would increase from 19% to 25% from 1 April 2023. This was substantially enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

## 13. Dividends

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Interim dividends of £0.80 was paid on equity shares | **291,091** | *97,961* |

# Notes to the financial statements for the year ended 31st January 2023

| **14. Intangible assets** | **Distribution rights £** |
|---|---|
| **Cost** | |
| At 1 February 2022 | 454,939 |
| **Additions** | 133,313 |
| At 31 January 2023 | 588,252 |
| **Amortisation** | |
| At 1 February 2022 | 359,624 |
| **Charge for the year** | 40,768 |
| At 31 January 2023 | 400,392 |
| **Net book value** | |
| At 31 January 2023 | 187,861 |
| At 31 January 2022 | 95,315 |

Amortisation on intangible assets is charged to administrative expenses.

| **Company** | **Distribution rights £** |
|---|---|
| **Cost** | |
| At 1 February 2022 | 27,689 |
| ***Additions*** | 1,142 |
| At 31 January 2023 | 28,831 |
| **Amortisation** | |
| At 1 February 2022 | 342 |
| **Charge for year** | 586 |
| At 31 January 2023 | 928 |
| **Net book value** | |
| At 31 January 2023 | 27,903 |
| At 31 January 2022 | 27,347 |

Amortisation on intangible assets is charged to administrative expenses.

# Notes to the financial statements for the year ended 31st January 2023

**15. Tangible fixed assets**

**Group**

| | Leasehold property improvements £ | Plant & machinery £ | Motor vehicles £ | Fixtures & fittings £ | Total £ |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 February 2022 | 1,039,405 | 1,647,470 | 17,050 | 1,740,653 | 4,444,578 |
| Additions | 25,203 | 448,986 | - | 158,461 | 632,649 |
| At 31 January 2023 | 1,064,608 | 2,096,456 | 17,050 | 1,899,114 | 5,077,227 |
| **Depreciation** | | | | | |
| At 1 February 2022 | 549,335 | 814,959 | 16,090 | 1,257,655 | 2,638,039 |
| Charge in year | 98,887 | 149,587 | 240 | 121,885 | 370,599 |
| At 31 January 2023 | 648,221 | 964,546 | 16,330 | 1,379,540 | 3,008,637 |
| **Net book value** | | | | | |
| At 31 January 2023 | 416,386 | 1,131,910 | 720 | 519,574 | 2,068,590 |
| *At 31 January 2022* | *490,070* | *832,511* | *960* | *482,999* | *1,806,539* |

| The net book value of leasehold property investments may be further analysed as follows: | 2023 £ | *2022 £* |
|---|---|---|
| Long leasehold | 316,235 | *369,144* |
| Short leasehold property improvements | 100,151 | *120,920* |
| | 416,386 | *490,064* |

# Notes to the financial statements for the year ended 31st January 2023

**15. Tangible fixed assets (continued)**

**Company**

| Cost | Short leasehold property improvements £ | Motor vehicles £ | Fixtures & fittings £ | Total £ |
|---|---|---|---|---|
| At 1 February 2022 | 492,389 | | | |
| Additions | | 17,050 | 1,603,926 | 2,113,365 |
| At 31 January 2023 | 845 | - | 326,705 | 327,550 |
| | 493,234 | 17,050 | 1,930,631 | 2,440,915 |
| **Depreciation** | | | | |
| At 1 February 2022 | | | | |
| Charge in year | 371,469 | 16,090 | 1,178,245 | 1,565,804 |
| At 31 January 2023 | 21,614 | 240 | 97,312 | 119,166 |
| | 393,083 | 16,330 | 1,275,557 | 1,684,970 |
| **Net book value** | | | | |
| At 31 January 2023 | 100,151 | 720 | 655,074 | 755,945 |
| *At 31 January 2022* | 120,920 | 960 | 425,681 | 547,561 |

# Notes to the financial statements for the year ended 31st January 2023

## 16. Fixed assets investments

**Company**

| | Investments in subsidiary undertakings £ |
|---|---|
| **Cost** | |
| At 1 February 2022 | 3,340,052 |
| At 31 January 2023 | 3,340,052 |
| **Impairment** | |
| At 1 February 2022 | 778,399 |
| At 31 January 2023 | 778,399 |
| **Net book value** | |
| At 31 January 2023 | 2,561,653 |
| *At 31 January 2022* | 2,561,653 |

# Notes to the financial statements for the year ended 31st January 2023

### 16. Fixed asset investments (continued)

**Direct subsidiary undertakings**

As at 31 January 2023, the following were direct subsidiary undertakings of the company:

| Name | Registered office | Principal activity | Class of shares | Holding |
|---|---|---|---|---|
| Cornelius Continuation Limited | Cornelius House, Woodside Dunmow Road, Bishops Stortford, Hertfordshire, CM23 5RG | Non trading | Ordinary and preference | 100% |
| Cornelius Environmental Products Limited | Cornelius House, Woodside Dunmow Road, Bishops Stortford, Hertfordshire, CM23 5RG | Non trading | Ordinary | 100% |
| Cornelius Specialties Limited | 15c Rookwood Way, Haverhill, Suffolk, CB9 8PB | Chemical supplier | Ordinary | 100% |
| Cornelius Polska Sp. 20. | ul. Postepu 14B02-676 Wars2awa, Poland | Chemical supplier | Ordinary | 85% |
| Cornelius France SAS | 13 Rue du Docteur Fleming 34500 Be2iers France | Non trading | Ordinary | 85% |
| Cornelius Rus LLC | 117292, Russia, Moscow, Vavilova str., 57A | Chemical supplier | Ordinary | 100% |

All of the direct subsidiary undertakings are incorporated in England and Wales except for Cornelius Polska Sp. 20.0 which is incorporated in Poland, Cornelius France SAS which is incorporated in France and Cornelius Rus LLC which is incorporated in Russia.

**Indirect subsidiary undertakings**

As at 31 January 2023, the following were indirect subsidiary undertakings of the company:

| Name | Registered office | Principal activity | Class of shares | Holding |
|---|---|---|---|---|
| Cornelius Produce Co. Limited | Cornelius House, Woodside Dunmow Road, Bishops Stortford, Hertfordshire, CM23 5RG | Non trading | Ordinary | 100% |

All of the indirect subsidiary undertakings are incorporated in England and Wales.

# Notes to the financial statements for the year ended 31st January 2023

| 17. Stocks | Group 2023 £ | *Group 2022 £* | Company 2023 £ | *Company 2022 £* |
|---|---|---|---|---|
| Raw materials and consumables | 402,865 | *545,695* | 8,488 | *8,105* |
| Work in progress | 109,386 | *140,348* | - | *-* |
| Finished goods and goods for resale | 8,912,672 | *5,656,177* | 2,180,310 | *2,703,937* |
| | 9,424,923 | *6,342,220* | 2,188,798 | *2,712,041* |

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £30,430,160 (2022: £25,759,859).

A charge of £235,229 (2022: charge of £201,014) was recognised in cost of sales against stock during the year due to slow-moving obsolete stock.

| 18. Debtors | Group 2023 £ | *Group 2022 £* | Company 2023 £ | *Company 2022 £* |
|---|---|---|---|---|
| Trade debtors | 8,276,511 | *6,785,877* | 2,579,959 | *3,154,505* |
| Amounts owed by group undertakings | - | *-* | 491,223 | *474,687* |
| Other debtors | 62,642 | *549,719* | - | *492,455* |
| Prepayments and accrued income | 509,970 | *1,023,724* | 349,618 | *647,842* |
| Tax receivable | 1,009 | *58,597* | - | *-* |
| | 8,850,132 | *8,417,917* | 3,420,799 | *4,769,489* |

Amounts owed by group comprise of unsecured interest bearing loans and inter company debtors.

| 19. Cash and cash equivalents | Group 2023 £ | *Group 2022 £* | Company 2023 £ | *Company 2022 £* |
|---|---|---|---|---|
| Cash at bank and in hand | 1,008,148 | *344,839* | - | *11,818* |
| Less: bank overdrafts | (4,021,799) | *(3,477,496)* | (2,012,546) | *(2,269,297)* |
| | (2,707,164) | *(3,132,657)* | (2,012,546) | *(2,257,479)* |

# Notes to the financial statements for the year ended 31st January 2023

| 20. Analysis of changes in net debt | At 1 February 2022 £ | *Cash flows* £ | At 31 January 2023 £ |
|---|---|---|---|
| Cash at bank and in hand | **344,839** | *663,309* | **1,008,148** |
| Bank overdrafts | **(3,477,496)** | *(544,304)* | **(4,012,799)** |
| | **(3,132,657)** | *119,006* | **(3,013,651)** |

| 21. Creditors: Amounts falling due within one year | Group 2023 £ | *Group 2022* £ | Company 2023 £ | *Company 2022* £ |
|---|---|---|---|---|
| Bank overdrafts | **4,021,799** | *3,477,496* | **2,012,546** | *2,269,297* |
| Trade creditors | **6,624,479** | *2,908,755* | **2,559,773** | *1,797,544* |
| Amounts owed to group undertakings | - | - | **2,299,777** | *1,901,329* |
| Other taxation and social security | **739,410** | *462,934* | **338,467** | *110,761* |
| Corporation Tax | **132,098** | - | - | - |
| Accruals and deferred income | **3,411,260** | *3,110,836* | **1,525,099** | *1,850,563* |
| | **14,929,046** | *10,018,684* | **8,735,662** | *7,929,494* |

Amounts owed to group comprise of unsecured interest bearing loans

Bank facilities are secured by way of a fixed and floating charge over all assets of the group headed by Cornelius Group Plc.

# Notes to the financial statements for the year ended 31st January 2023

| **22. Creditors: Amounts falling due after more than one year** | **Group 2023 £** | *Group 2022 £* | **Company 2023 £** | *Company 2022 £* |
|---|---|---|---|---|
| Amounts owed to group undertakings | - | - | **32,040** | *32,040* |
| Other creditors | **23,336** | *52,698* | - | - |
| | **23,336** | *52,698* | **32,040** | *32,040* |

**23. Financial commitments**

A cross guarantee agreement has been entered into with the bankers, HSBC Bank Plc, whereby all positive balances that exist within the group headed by Cornelius Group Plc may be called upon to secure or repay any net bank indebtedness. At 31 January 2023, the group had net debt of £3,013,651 (2022: £3,132,657).

# Notes to the financial statements for the year ended 31st January 2023

| 24. Financial instruments | **Group 2023 £** | *Group 2022 £* | **Company 2023 £** | *Company 2022 £* |
|---|---|---|---|---|
| ***Financial assets*** | | | | |
| Financial assets measured at fair value through profit or loss | **33,056** | *344,839* | **-** | *11,818* |
| Financial assets that are debt instruments measured at amortised cost | **9,825,224** | *7,335,596* | **3,420,799** | *4,121,647* |
| | **9,858,280** | *7,680,435* | **3,420,799** | *4,133,465* |
| **Financial liabilities** | | | | |
| Derivative financial instruments measured at fair value through profit or loss | **-** | *(58,663)* | **-** | *-* |
| Financial liabilities measured at amortised cost | **(14,704,071)** | *(9,497,087)* | **(8,706,375)** | *(7,818,733)* |
| | **(14,704,071)** | *(9,555,750)* | **(8,706,375)** | *(7,818,733)* |

Financial assets measured at fair value through profit or loss comprise of forward contracts.

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, amounts owed by group undertakings and other debtors.

Derivative financial instruments measured at fair value through profit or loss comprise of the fair value of forward contracts.

Financial liabilities measured at amortised cost comprise bank overdrafts, bank loans, trade creditors, amounts owed to group undertakings, other creditors and accruals.

# Notes to the financial statements for the year ended 31st January 2023

**25. Deferred taxation**

**Group**

| | 2023 £ | 2022 £ |
|---|---|---|
| At beginning of year | **122,530** | *66,961* |
| Charged to profit or loss | **(3,026)** | *55,569* |
| **At end of year** | **119,504** | *122,530* |

| The provision for deferred taxation comprises: | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|---|---|---|---|---|
| Accelerated capital allowances | **228,860** | *228,860* | **66,820** | *66,820* |
| Other timing differences | **23,733** | *26,759* | **(20,543)** | *(20,543)* |
| Losses | **(133,089)** | *(133,089)* | **(46,277)** | *(46,277)* |
| | **119,504** | *122,530* | **-** | *-* |

At the year-end, the group had accumulated tax losses carried forward of **£3m** (2022: £2.1m), resulting in a deferred tax asset of **£0.5m** (2022: £0.6m). Due to a lack of foreseeable taxable profits in the UK group, the group has elected not to recognise this.

# Notes to the financial statements for the year ended 31st January 2023

| **26. Share capital**<br>**Allotted, called up and fully paid** | **2023**<br>**£** | *2022*<br>*£* |
|---|---|---|
| 121,845 (2022: 117,395) Ordinary shares of £1 each | **121,845** | *118,645* |
| 241,940 (2022: 241,940) A Ordinary shares of £1 each | **241,940** | *241,940* |
| | **363,785** | *360,585* |

During the year the group issued 3,200 shares (2022: 1,250) £1 ordinary shares for total consideration of £48,000 (2022: £18,750).

The ordinary shares and the A ordinary shares rank pari passu in all respects except that the A ordinary shares carry certain rights regarding the transfer of shares.

**27. Reserves**

**Share premium account**

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

**Capital redemption reserve**

This reserve records the nominal value of shares repurchased by the company.

**Treasury share reserve**

This reserve records the nominal value of shares repurchased into treasury.

**Other reserves**

This reserve records the group's share of a subsidiary company's other reserves.

**Profit & loss account**

This reserve comprises all current and prior years' retained profits and losses less dividends paid.

# Notes to the financial statements for the year ended 31st January 2023

### 28. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to **£386,932** (2022: £324,103).

Contributions totalling **£24,454** (2022: £32,393) were payable to the fund at the reporting date and are included within other creditors.

### *29. Commitments under operating leases*

At 31 January 2023 the group and the company had future minimum lease payments due under non cancellable operating leases for each of the following periods:

| | **Group 2023 £** | *Group 2022 £* | **Company 2023 £** | *Company 2022 £* |
|---|---|---|---|---|
| Not later than 1 year | **658,302** | *618,883* | **431,035** | *391,616* |
| Later than 1 year and not later than 5 years | **1,749,483** | *1,743,650* | **1,356,009** | *1,171,927* |
| Later than 5 years | **-** | *289,001* | **-** | *289,001* |
| | **2,407,785** | *2,651,534* | **1787044** | *1,852,544* |

# Notes to the financial statements for the year ended 31st January 2023

**30. Related party transactions**

The company had the following transactions and balances with Cornelius Polska Sp. zo.o, which is an 85% subsidiary.

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| **Cornelius Polska Sp. zo.o** | | |
| Sales | **6,097** | *30,145* |
| Purchases | **11,056** | *44,319* |
| Management charges payable to Cornelius Group plc. | **215, 481** | *215,481* |
| Amount owed to Cornelius Group plc. | **63,010** | - |
| Amounts owed from Cornelius Group plc. | **522,800** | - |

During the year dividends of £190,843 (2022: £97,961) were payable to directors who are shareholders.

**31. Controlling party**

Dr N D Prior is the group's ultimate controlling party by virtue of his majority shareholding in the voting Ordinary shares of Cornelius Group plc.

# Notes

Cornelius
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[redacted]

[redacted]

**Cornelius Group Plc**

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