Company Registration No. 02569078 (England and Wales)

# ENITIAL LIMITED
# FINANCIAL STATEMENTS
# FOR THE YEAR ENDED
# 31 DECEMBER 2022



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**ENITIAL LIMITED**

**COMPANY INFORMATION**

| | |
|---|---|
| **Directors** | Mr R McPheeters<br>Mr W Welch |
| **Company number** | 2589078 |
| **Registered office** | Coopers Bridge<br>Braziers Lane<br>Winkfield<br>Berkshire<br>RG42 6NS |

## ENITIAL LIMITED

# STRATEGIC REPORT
## FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022

**Fair review of the business**

Enitial is the UK's leading provider of independent field monitoring and sampling services. Our highly skilled team of technicians acts as the 'boots on the ground' for customers throughout the UK, providing cost-effective on-site sampling, testing, and measuring of environmental conditions as well as checks on pollution levels. Our expertise in industrial and environmental monitoring, combined with our innovative control equipment, delivers a specialist service for customers looking for professional, reliable support. Our services are used to assist with permit and planning consent compliance, investigations for new development, and to support operational condition monitoring.

**Principal risks and uncertainties**

The Company operates in the analytical testing sector focusing on independent field sampling and monitoring of environmental conditions. The current and expected future trend within these markets is for a continuing increase in testing as the demand for food production continues to rise, allied to the increased focus on monitoring standards maintained by regulatory authorities and consumer groups. Financial risks include interest rate, liquidity and foreign currency risks. The board continues to monitor these risks.

***Cash flow and credit risk***

The Company is a wholly owned subsidiary of Cawood Scientific Holdings Limited ("CSHL"). CSHL and its wholly owned subsidiaries collectively comprised the Group. The Group manages credit and cash flow risk by policies concerning credit offered to clients and regular monitoring of amounts outstanding for both time and credit limits. The Company has no significant concentration of credit risk, with exposure spread over a large number of clients.

***Interest risk***

During this period Ensign Brickford Industries Inc. extended two fixed rate intercompany loans to the goup.

***Financial risk***

Arrangements for capital expenditure are managed in part through hire purchase arrangements.

**Development and performance**

The group uses a number of indicators to address performance. The key financial performance indicators are sales, gross margin % and debtor days.

## ENITIAL LIMITED

## STRATEGIC REPORT (CONTINUED)
### FOR THE YEAR ENDED 31 DECEMBER 2022

These KPIs for the period ended 31 December 2022 are as follows

| | Year ended 31 December 2022 | Year ended 31 December 2021 |
|---|---|---|
| Sales £'000 | 6,397 | 5,554 |
| Gross margin | 78% | 41% |
| Debtor days | 74 | 90 |

**Employee engagement**
The group supports the development of its employees through a combination of internal and external training. Many of our managers and team leaders have progressed from within the organisation

**Stakeholders**

The group works hard to communicate its progress to its stakeholders. Key stakeholders include customers, employees, partners, suppliers, shareholders and our banks

Customer Focus is a core value for the company leading to long term relationships with our customers, we engage with them on a regular basis to share progress, understand requirements and to ensure we are meeting their needs in addition to regular customer surveys measuring our performance

Employees are valued and involved in decision making where applicable

We operate with a high degree of integrity ensuring that employees, customers and suppliers are valued and understand their importance to us

We take our interaction with the environment seriously and have a number of measures in place to mitigate our impact including reducing what we send to landfill and our carbon footprint in terms of travel

**Business Relationships**

Regular discussions with all stakeholders ensure that decision making and strategy development by management is influenced by customers, colleagues and partners where applicable

**Future developments**

The Directors expect the markets within which the group operates to continue exhibiting modest growth, shaped by a combination of evolving regulations, cost pressures, and an increasing awareness of the environment and a focus on crop yields. Looking forwards, the Directors believe that the group is well positioned to gain revenue share in many of its markets as it expands its footprint via investment in

- organic growth via the offer of wider services to existing clients and new customers ,
- development of new technical testing and new methods to improve efficiencies,
- the acquisition of businesses complementary to the company's core service offering

The group has established comprehensive business plans to execute this growth and ensure the business is able to generate sufficient profits and cash to cover its ongoing commitments

On behalf of the board

Mr R McPheeters
**Director**

7 February 2024

## ENITIAL LIMITED

# DIRECTORS' REPORT
## FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year to 31 December 2022 In the prior year the company presents its comparative financial statements for the period ended 31 December 2021

**Principal activities**

The principal activity of the company and group is of an independent provider of analytical testing and sampling services for land-based industries, with a well-established reputation for the provision of high quality accredited analytical testing and sampling services

**Results and dividends**

The results for the year are set out in the financial statements commencing on page 8

**Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows

Mr R McPheeters
Mr W Welch
Mr J Smith ( Resigned on 31 December 2022)
Mr M Hanson ( Resigned on 31 May 2022)
Mr S Parrington ( Resigned on 24 February 2023 )

**Employee involvement**

The group's policy is to consult and discuss with employees, staff councils and at meetings, matters likely to affect employees' interests
Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance

## ENITIAL LIMITED

# DIRECTORS' RESPONSIBILITIES STATEMENT
## FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

## ENITIAL LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

### FOR THE YEAR ENDED 31 DECEMBER 2022

| | Note | Year ended 31 December 2022 £ | Period ended 31 December 2021 £ |
|---|---|---|---|
| Turnover | | 6,396,884 | 5,554,460 |
| Cost of sales | | (4,576,540) | (3,303,372) |
| **Gross profit** | | 1,820,344 | 2,251,088 |
| Administrative expenses | | (2,476,917) | (2,184,239) |
| Other operating income | | (59,843) | 19,276 |
| **Operating profit** | | (716,416) | 86,125 |
| Interest receivable and similar income | | 10,618 | 62,403 |
| Interest payable and similar expenses | | (118,159) | (177,358) |
| **Loss before taxation** | | (823,957) | (28,831) |
| Tax on loss | 12 | (212,926) | (92,951) |
| **Loss for the period** | | (611,031) | (121,782) |

## ENITIAL LIMITED

## STATEMENT OF FINANCIAL POSITION
### AS AT 31 DECEMBER 2022

| | Note | 31 December 2022 | 31 December 2021 |
|---|---|---|---|
| | | £ | £ |
| Tangible Assets | 4 | 289,731 | 371,489 |
| Investments | 5 | 2 | 2 |
| **Total fixed assets** | | 289,733 | 371,491 |
| **Current assets** | | | |
| Stocks | | 53,086 | 66,581 |
| Debtors | 6 | 2,228,693 | 2,920,604 |
| Cash at bank and in hand | | 24,051 | 478,468 |
| **Total current assets** | | 2,305,830 | 3,465,653 |
| **Creditors: amounts falling due within one year** | 7 | (3,318,175) | (3,948,725) |
| **Net current liabilities** | | (1,012,344) | (483,072) |
| **Total assets less current liabilities** | | (722,611) | (111,581) |
| **Creditors: amounts falling due after more than one year** | | - | - |
| **Provisions for liabilities** | | (60,000) | (60,000) |
| **Net assets / (liabilities)** | | (782,611) | (171,581) |
| **Capital and reserves** | | | |
| Called up share capital | 8 | 5,008 | 5,008 |
| Revaluation reserve | | | |
| Profit and loss reserves | | (787,619) | (176,589) |
| **Total equity** | | (782,611) | (171,581) |

For the financial year in question the company was entitled to exemption under section 479a of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements were approved by the board of directors and authorised for issue on 7 February 2024 and are signed on its behalf by:

Mr R McPheeters
**Director**

## ENITIAL LIMITED

## STATEMENT OF CHANGES IN EQUITY
### FOR THE YEAR ENDED 31 DECEMBER 2022

| | Share capital | Profit and loss reserves | Total equity |
|---|---|---|---|
| | £ | £ | £ |
| **Balance at 31 March 2021** | 5,008 | (54,806) | (49,798) |
| Loss and total comprehensive income | | (121,782) | (121,782) |
| Transfers | - | - | - |
| **Period ended 31 December 2021** | 5,008 | (176,588) | (171,580) |
| **Period ended 31 December 2022** | | | |
| Loss and total comprehensive income for the year | | (611,031) | (611,031) |
| Transfers | - | - | - |
| **Balance at 31 December 2022** | 5,008 | (787,619) | (782,611) |

## ENITIAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2022

**1 Accounting policies**

**Company information**

Enitial Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Coopers Bridge, Braziers Lane, Winkfield, Berkshire. RG42 6NS

**Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

**Going concern**

Notwithstanding the net liabilities and loss in the period the directors have prepared accounts on a going concern basis. This is supported by the group forecasts for the twelve month period from the date of approval of the financial statements.

The company meets its day to day working capital requirements through support from other entities within the group. Cawood Scientific Holding Limited has indicated that it will continue to provide ongoing financial support to the company as well as providing intercompany financing.

The directors have prepared forecasts for the group for a period of 12 months from the date of approval of these financial statements. These forecasts take account of reasonable possible changes in trading performance in all areas of the business and cashflow actions required should they be needed.

Therefore based on the above, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

**1 Accounting policies (continued)**

**Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

**Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases.

| | |
|---|---|
| Freehold land and buildings | 2% - 10% straight line |
| Plant and equipment | 10% - 50% straight line |
| Fixtures and fittings | 15% - 33% straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

**Fixed asset investments**

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making provisions for obsolete and slow moving items. Stocks include spare parts, standby equipment and servicing equipment not expected to be used in more than one period.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

**1 Accounting policies (continued)**

**Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously

**Basic financial assets**

Basic financial assets, which include trade and other debtors, amounts due from group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest

**Classification of financial liabilities**

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

**Basic financial liabilities**

Basic financial liabilities, including trade and other creditors and amounts due to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

**Equity instruments**

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company

**Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense Current tax assets are recognised when tax paid exceeds the tax payable

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously

Current tax is based on taxable profit for the year Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date

## NOTES TO THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2022

**1 Accounting policies (continued)**

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits

**Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises

**Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received

**Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments

**Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed

**1 Accounting policies (continued)**

**Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received

A grant that specifies performance conditions is recognised in income when the performance conditions are met Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable A grant received before the recognition criteria are satisfied is recognised as a liability

**Foreign exchange**

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income

**2 Employees**

The average monthly number of persons (including directors) employed by the company during the period ended were

| | 31 December 2022 | 31 December 2021 |
|---|---|---|
| | Number | Number |
| Total | 130 | 129 |

## ENITIAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2022

**3 Directors' remuneration**

| | 31 December 2022 | 31 December 2021 |
|---|---|---|
| | £ | £ |
| Remuneration paid to Directors | - | - |

**4 Tangible fixed assets**

| | Freehold land and buildings | Plant and equipment | Fixtures and fittings | TOTAL |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cost** | | | | |
| At 1 Januray 2022 | - | 1,928,004 | 153,003 | 2,081,007 |
| Disposals | | (464,539) | (19,490) | (484,029) |
| Additions | | 107,815 | 4,950 | 112,765 |
| Transfers | - | | | |
| **At 31 December 2022** | - | 1,571,280 | 138,463 | 1,709,743 |
| **Depreciation** | | | | |
| At 1 January 2022 | - | 1,638,744 | 70,774 | 1,709,518 |
| Disposals | - | (378,987) | (9,801) | (388,787) |
| Depreciation charged in the period | - | 86,088 | 13,193 | 99,281 |
| **At 31 December 2022** | - | 1,345,845 | 74,166 | 1,420,012 |
| **Net book value** | | | | |
| **At 31 December 2022** | - | 225,435 | 64,296 | 289,731 |
| At 31 December 2021 | - | 289,260 | 82,229 | 371,489 |

**5 Fixed asset investments**

| | 31 December 2022 | 31 December 2021 |
|---|---|---|
| | £ | £ |
| Shares in group undertakings and participating interests | 2 | 2 |

**Movements in fixed asset investments**

| | Shares in group undertakings |
|---|---|
| | £ |
| **Cost or valuation** | |
| At 31 December 2022 and 31 December 2021 | 2 |
| **Carrying amount** | |
| At 31 December 2022 | 2 |
| At December 2021 | 2 |

**6 Debtors**

| | 31 December 2022 | 31 December 2021 |
|---|---|---|
| **Amounts Falling due within one year:** | £ | £ |
| Trade Debtors | 1,292,356 | 1,366,735 |
| Corporion tax recoverable | 55,180 | 25,256 |
| Amounts owed by contract customer | 590,047 | - |
| Amounts owed by group undetakings | - | 890,654 |
| Prepayments | 23,751 | - |
| Other debtors | - | 589,505 |
| | 1,961 334 | 2 872,151 |
| Deferred tax asset | 267 359 | 48,453 |
| | 2,228,693 | 2,920,604 |

## ENITIAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 31 DECEMBER 2022

**7 Creditors: amounts falling due within one year**

| | 31 December 2022 | 31 December 2021 |
|---|---|---|
| | £ | £ |
| Trade Creditors | 244,714 | 237,368 |
| Amounts owed to group undertakings | 2,485,780 | 2,531,388 |
| Corporation tax | - | - |
| Other taxation and social security | 2,521 | 842,555 |
| Other creditors | 585,160 | 337,414 |
| | **3,318,175** | **3,948,725** |

**8 Called up share capital**

| | 31 December 2022 Number | 31 December 2021 Number | 31 December 2022 £ | 31 December 2021 £ |
|---|---|---|---|---|
| **Ordinary share capital** | | | | |
| **Issued and fully paid** | | | | |
| Ordinary shares of £1 each | 5,008 | 5,008 | 5,008 | 5,008 |

**9 Financial commitments, guarantees and contingent liabilities**

During the year the company was included within a VAT group with other group entities, the total liability of this VAT group at 31 December 2022 is £253,865 (at 31 December 2021 £480,467)

**10 Operating lease commitments**

**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows

| | 31 December 2022 £ | 31 December 2021 £ |
|---|---|---|
| Within one year | 52,000 | 52,000 |
| Between two and five years | 208,000 | 208,000 |
| In over five years | 388,504 | 440,504 |
| | 648,504 | 700,504 |

**11 Parent Company**

The company's immediate parent undertaking is Cawood Scientific Limited a company registered in England and Wales

The smallest group in which the results of the company are consolidated is that headed by Cawood Scientific Holdings Limited. Copies of the financial statements of Cawood Scientific Holdings Limited can be obtained from its registered office of Coopers Bridge, Braziers Lane, Winkfield Row, Bracknell RG42 6NS, or from the Registrar of Companies Companies House

The largest group in which the results of the company are consolidated is that headed by Ensign-Bickford Industries Inc

The directors consider there not to be a singular ultimate controlling entity or controlling party

**12 Taxation**

| | 31 December 2022 | 31 December 2021 |
|---|---|---|
| | £ | £ |
| UK corporation tax on profits for the current period | (212,926) | (92,951) |

The total tax charge for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows

| | 31 December 2022 | 31 December 2021 |
|---|---|---|
| | £ | £ |
| Loss before taxation (excluding RDEC) | (823,957) | (48,107) |
| Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (Year ended 31 December 2022 19.00%) | (156,552) | (9,140) |
| Tax effect of expenses that are not deductible in determining taxable profit | - | 982 |
| Non deductible expenses | 2,907 | - |
| Fixed asset differences | - | (9,650) |
| R&D expenditure credits | - | 4,521 |
| Adjustments to tax charge in respect of previous periods | (15,236) | |
| Adjustments to tax charge in respect of previous periods - deferred tax | - | 93,660 |
| Effect of Changes in Corporation Tax Rate | (47,446) | - |
| Chargeable gains / losses | - | - |
| Tax effect of income not taxable in determining taxable profit | - | |
| Change in unrecognised deferred tax assets | 3,400 | (11,629) |
| Group relief | - | 24,207 |
| Taxation charge for the period | (212,927) | 92,951 |

Finance Act 2020 which was substantively enacted on 11 March 2020, maintained the corporation tax rate at 19% until 31 March 2023. Finance Act 2021, which was substantively enacted on 24 May 2021 has enacted an increase in the UK corporation tax main rate to 25% from 1 April 2023. As this rate change had been substantively enacted before the balance sheet date, the closing deferred tax assets and liabilities have been calculated at 25%, on the basis that this is the rate at which those assets and liabilities are expected to unwind

**13 Deferred taxation**

The major deferred tax liabilities and assets recognised by the company are

| | Liabilities | Assets |
|---|---|---|
| | 31 December 2022 £ | 31 December 2022 £ |
| Fixed Assets | - | 10,908 |
| Tax losses | | 167,771 |
| Other timing differences | - | 88,681 |
| | - | 267,360 |

| | 2022 |
|---|---|
| **Movements in the period:** | £ |
| Asset at 31 December 2021 | 48,453 |
| Charged to profit or loss | 218,907 |
| Asset at 31 December 2022 | 267,360 |