Parent company consolidated accounts for DTR International Limited (No. 02725740)

Company registration number 00366924 (England and Wales)

VERUTH HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2021

VERUTH HOLDINGS LIMITED

COMPANY INFORMATION

Directors	D Sheridan	
	C Sheridan	
	D Sheridan	
	H Sheridan	
	G Elgood	
	P Kara	
	Dr S Reynolds	
	N Shah	
	H Cooke	
	A Yates	(Appointed 21 April 2022)
Secretary	C Sheridan	
Company number	00366924	
Registered office	1st Floor, Suite 2 Salisbury Hall London Colney St Albans Hetfordshire AL2 1BU	
Auditor	Mercer & Hole 72 London Road St Albans Hertfordshire AL1 1NS	

VERUTH HOLDINGS LIMITED

CONTENTS

VERUTH HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2021

The directors present the strategic report for the year ended 31 October 2021.

Fair review of the business

The group's principal activity is the importation and distribution of electrical control gear, switchgear, fuses and electronic components and as a drives integrator.

Turnover increased by 39.1% to £16m from £11.5m due to increased market share gains following relaxtion of lockdown restrictions in the UK as well as the acquisition of Oracle Drive Systems Limited in November 2020. Gross profit % decreased slightly to 41.2% (from 41.7% 2020) due to the challenging environment, volume and product mix, increased global supply chain costs but also benefitting from a stronger trading currency.

During the lockdown period, the Company focused on adapting processes in order to continue supporting and servicing those customers that were still trading. This focus on customer service continued to provide market share gains despite the difficult trading environment.

Operating profit was £712k, up 71.5% on prior year as a result of the improved group performance.

Environmental Impact & policy

Our impact on the environment is something the company is focused on reducing. In the year the company replaced the roof at the Luton facility which improved insulation and therefore, reduced costs. The Group took the decision to withdraw c.340,000 plastic bags from product packaging which in turn will save c.3.4 tons of polyethylene per year. The Group are also currently in the process of migrating all company vehicles to hybrid vehicles.

The Board have appointed one of the Directors, Hillary Sheridan, to oversee environmental policy in all our investment companies. Veruth Holdings itself has set targets to reduce emissions and is also now going to make monthly donations to the Woodland Trust.

Principal risks and uncertainties

The group has strong controls. These are constantly being monitored and strengthened as the company continues to grow aided by the implementation of new ERP system .

Quality of the products the group offers has always been of the highest priority. We continue to develop our ISO9001-2015 quality management systems and are pleased to add ISO45001:2018 to our accreditations.

The directors believe that policies put into place to ensure that an ever increasing range of quality products, competitively priced and backed with the highest service are continuing to meet the needs of the market.

Financial risk management

The group's operations expose it to limited financial risks that include price risk, credit risk, liquidity risk, interest rate risk and foreign exchange risk. Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department.

Price risk

The group has a limited exposure to commodity prices particularly for copper, silver and plastics. Strong working relationships with our principal suppliers have aided the group to alleviate part of this risk.

Credit risk

The group has policies that require appropriate credit checks on potential customers before sales are made and accounts are constantly monitored to reduce risk of default. The group also uses the services of Atradius credit insurance with all our main customers to further reduce credit risk.

Liquidity risk

The group is primarily funded by a mix of short term bank finance and related party long term loans. The group closely monitors it cash flow on a monthly basis and is confident it has sufficient funds for current operations and planned expansion.

Interest rate cash flow risk

The group pays interest on its external debt at a variable rate which is not hedged. The directors will revisit the appropriateness of this policy should the interest rate environment significantly change. The group also has loans to group companies and investments which are based on variable interest rates which significantly cover any increases in SONIA.

Foreign exchange risk

The group closely monitors foreign exchange rate movements and uses forward exchange rate contracts when appropriate to reduce its exposure to fluctuations in foreign exchange markets.

Coronavirus

COVID-19 remains a dominating factor in the world social and economic climate. The group continues to operate in an environment of uncertainty associated with the situation. The directors are continuously monitoring the situation on a daily basis and are using various tools and actions to mitigate any negative impacts. The directors are confident that they have the resources to deal with the changing circumstances for the foreseeable future.

The position of the group at the year end

Net assets increased to £7.8m. Net cash inflow from operating activities was £1.3m compared to £653k generated in 2020 following the improved trading months following relaxation of COVID restrictions and the acquisition of Oracle Drive Systems Limited in November 2020.

Key performance indicators

Management information was improved during the year with a focus on monthly KPI's to drive Sales and operating performance in the business.

The Company was able to improve its gross margins despite a very competitive environment. Margin Analysis across all product groups is reported monthly and monitored by Management along with Customer Order, Sales and trends activity. Stock is closely monitored to enable fulfilment of Customer requirements to continue profitable growth.

Other information and explanations

The trading position has continued to strengthen post year end. We will continue to increase our range of quality products and focus on providing consistent high customer service. We expect steady growth to continue by increasing market share and through the introduction of new products.

Veruth Holdings is a long term equity investor in scale up SMEs and whilst some of our investments have suffered due to the Covid 19 pandemic, most have been resilient. The Board confidently predicts that our results for the coming year will show significant progress over the last two years.

On behalf of the board

DMSheridan

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D Sheridan

Director

01/7/2022

VERUTH HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2021

The directors present their annual report and financial statements for the year ended 31 October 2021.

Principal activities
The principal activity of the group continued to be that of the importation and distribution of electrical control gear, fuses and other electrical components. The company's principal activity is investing in innovative businesses and solutions.

Results and dividends
The results for the year are set out on page 10.

Ordinary dividends were declared and paid amounting to £71,844. The directors do not recommend payment of a further dividend.

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

D Sheridan	
C Sheridan	
D Sheridan	
H Sheridan	
G Elgood	
P Kara	
Dr S Reynolds	
N Shah	
H Cooke	
A Yates	(Appointed 21 April 2022)

Qualifying third party indemnity provisions
During the year and up to the date of this report, the company maintained liability insurance and third-party indemnification provision for its directors, under which the Company has agreed to indemnify the directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the company.

Auditor
Mercer & Hole were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Strategic report
The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of the review of the business, principal risks and uncertainties, the position of the company at the year end, analysis based on key performance indicators and future developments.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

VERUTH HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

On behalf of the board

DM Sheridan
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D Sheridan
Director

Date: 1/7/22

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2021

The directors are responsible for preparing the Annual 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 group and company, and of the profit or loss of 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

VERUTH HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VERUTH HOLDINGS LIMITED

Opinion

We have audited the financial statements of Veruth Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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 the parent company's affairs as at 31 October 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and 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

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 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 other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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. 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 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.

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

VERUTH HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VERUTH HOLDINGS LIMITED

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches under wiring and specific product regulations and we considered the extent to which non-compliance may have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the prepared og the financial statements such as the Companies Act and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

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.

DocuSigned by:

Andrew Turner FCA
For and on behalf of Mercer & Hole

1/7/2022
Date: ....

Chartered Accountants
Statutory Auditor

72 London Road
St Albans
Hertfordshire
AL1 1NS

VERUTH HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2021

	Notes	2021 £	2020 £
Turnover	3	16,004,268	11,502,054
Cost of sales		(9,405,687)	(6,695,067)
Gross profit		6,598,581	4,806,987
Distribution costs		(1,244,095)	(1,083,494)
Administrative expenses		(4,675,852)	(3,493,713)
Other operating income		33,500	185,636
Operating profit	4	712,134	415,416
Share of profits of associates		13,427	36,084
Interest receivable and similar income	8	*70,855*	*59,627*
Interest payable and similar expenses	9	(74,575)	(35,539)
Amounts written off investments	10	(57,000)	(75,000)
Fair value gains and losses on foreign exchange contracts		-	10,985
Profit before taxation		664,841	411,573
Tax on profit	11	(203,152)	(103,980)
Profit for the financial year	27	461,689	307,593
Other comprehensive income			
Revaluation of tangible fixed assets		918,257	-
Tax relating to other comprehensive income		(106,529)	-
Total comprehensive income for the year		1,273,417	307,593
Profit for the financial year is attributable to:			
- Owners of the parent company		172,340	168,733
- Non-controlling interests		289,349	138,860
		461,689	307,593
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		984,068	168,733
- Non-controlling interests		289,349	138,860
		1,273,417	307,593

VERUTH HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 OCTOBER 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Goodwill	13		880,604		117,788
Negative goodwill	13		(4,476)		(5,115)
Net goodwill			876,128		112,673
Tangible assets	14		3,126,820		2,217,283
Investments	16		272,037		289,860
			4,274,985		2,619,816
Current assets					
Stocks	19	5,553,945		1,711,489	
Debtors falling due after more than one year	20	947,857		743,978	
Debtors falling due within one year	20	4,341,288		4,628,870	
Cash at bank and in hand		1,103,290		294,324	
		11,946,380		7,378,661	
Creditors: amounts falling due within one year	21	(7,221,240)		(3,120,445)	
Net current assets			4,725,140		4,258,216
Total assets less current liabilities			9,000,125		6,878,032
Creditors: amounts falling due after more than one year	22		(1,047,647)		(307,096)
Provisions for liabilities					
Deferred tax liability	24	153,807		47,559	
			(153,807)		(47,559)
Net assets			7,798,671		6,523,377
Capital and reserves					
Called up share capital	26		35,922		35,922
Share premium account	27		203,759		203,759
Revaluation reserve	27		811,728		-
Capital redemption reserve	27		11,327		11,327
Other reserves	27		(5,646)		(54)
Profit and loss reserves	27		4,965,914		5,039,894
Equity attributable to owners of the parent company			6,023,004		5,290,848
Non-controlling interests			1,775,667		1,232,529
			7,798,671		6,523,377

VERUTH HOLDINGS LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 OCTOBER 2021

The financial statements were approved by the board of directors and authorised for issue on 01\3\2022 and are signed on its behalf by:

DM Sheridan
....
D Sheridan
Director

VERUTH HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 OCTOBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	14		1,854		887
Investment properties	15		2,850,000		2,000,000
Investments	16		2,349,553		489,506
			5,201,407		2,490,393
Current assets					
Debtors falling due after more than one year	20	947,857		743,978	
Debtors falling due within one year	20	1,348,160		973,304	
Cash at bank and in hand		312,849		41,468	
		2,608,866		1,758,750	
Creditors: amounts falling due within one year	21	(2,560,228)		(729,812)	
Net current assets			48,638		1,028,938
Total assets less current liabilities			5,250,045		3,519,331
Creditors: amounts falling due after more than one year	22		(1,047,647)		(307,096)
Provisions for liabilities					
Deferred tax liability	24	91,805		1,287	
			(91,805)		(1,287)
Net assets			4,110,593		3,210,948
Capital and reserves					
Called up share capital	26		35,922		35,922
Share premium account	27		203,759		203,759
Capital redemption reserve	27		11,327		11,327
Profit and loss reserves	27		3,859,585		2,959,940
Total equity			4,110,593		3,210,948

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £971,490 (2020 - £129,635 loss).

VERUTH HOLDINGS LIMITED

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 OCTOBER 2021

The financial statements were approved by the board of directors and authorised for issue on 01/3/2022 and are signed on its behalf by:

....

D Sheridan

Director

Company Registration No. 00366924

VERUTH HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2021

	Notes	Share capital	Share premium account	Revaluation reserve	Capital redemption reserve	Other reserves	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
		£	£	£	£	£	£	£	£	£
Balance at 1 November 2019		35,922	203,759	-	11,327	(454)	5,173,951	5,424,505	862,632	6,287,137
Year ended 31 October 2020:										
Profit and total comprehensive income for the year		-	-	-	-	-	168,733	168,733	138,860	307,593
Dividends	12	-	-	-	-	-	(71,844)	(71,844)	-	(71,844)
Transfers		-	-	-	-	400	-	400	-	400
Disposal of shares in subsidiary to non-controlling interest		-	-	-	-	-	(230,946)	(230,946)	231,037	91
Balance at 31 October 2020		35,922	203,759	-	11,327	(54)	5,039,894	5,290,848	1,232,529	6,523,377
Year ended 31 October 2021:										
Profit for the year		-	-	-	-	-	172,340	172,340	289,349	461,689
Other comprehensive income:										
Revaluation of tangible fixed assets		-	-	918,257	-	-	-	918,257	-	918,257
Tax relating to other comprehensive income		-	-	(106,529)	-	-	-	(106,529)	-	(106,529)
Total comprehensive income for the year		-	-	811,728	-	-	172,340	984,068	289,349	1,273,417
Dividends	12	-	-	-	-	-	(246,320)	(246,320)	-	(246,320)
Transfers		-	-	-	-	(5,592)	-	(5,592)	-	(5,592)
Acquisition of subsidiary		-	-	-	-	-	-	-	253,789	253,789
Balance at 31 October 2021		35,922	203,759	811,728	11,327	(5,646)	4,965,914	6,023,004	1,775,667	7,798 671

VERUTH HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2021

	Notes	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
		£	£	£	£	£
Balance at 1 November 2019		35,922	203,759	11,327	3,161,419	3,412,427
Year ended 31 October 2020:						
Loss and total comprehensive income for the year		-	-	-	(129,635)	(129,635)
Dividends	**12**	-	-	-	(71,844)	(71,844)
Balance at 31 October 2020		35,922	203,759	11,327	2,959,940	3,210,948
Year ended 31 October 2021:						
Profit and total comprehensive income for the year		-	-	-	971,489	971,489
Dividends	**12**	-	-	-	(71,844)	(71,844)
Balance at 31 October 2021		35,922	203,759	11,327	3,859,585	4,110,593

VERUTH HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	33		1,573,626		(457,804)
Interest paid			(74,575)		(35,539)
Income taxes paid			(187,507)		(160,003)
Net cash inflow/(outflow) from operating activities			1,311,544		(653,346)
Investing activities					
Purchase of business		(561,481)		-	
Purchase of tangible fixed assets		(64,033)		(122,155)	
Purchase of associates		(75,750)		-	
Loans made		(40,000)		(600,000)	
Receipts arising from loans made		117,587		435,184	
Interest received		70,855		59,627	
Dividends received		50,000		50,000	
Net cash used in investing activities			(502,822)		(177,344)
Financing activities					
Proceeds from borrowings		500,000		55,896	
Repayment of borrowings		(393,668)		-	
Proceeds of new bank loans		900,000		-	
Repayment of bank loans		(59,449)		(50,303)	
Payment of finance leases obligations		-		(6,906)	
Disposal of shares in subsidiary to non-controlling interest		-		91	
Dividends paid to equity shareholders		(246,320)		(71,844)	
Net cash generated from/(used in) financing activities			700,563		(73,066)
Net increase/(decrease) in cash and cash equivalents			1,509,285		(903,756)
Cash and cash equivalents at beginning of year			(400,403)		502,954
Effect of foreign exchange rates			(5,592)		399
Cash and cash equivalents at end of year			1,103,290		(400,403)
Relating to:					
Cash at bank and in hand			1,103,290		294,324
Bank overdrafts included in creditors payable within one year			-		(694,727)

1 Accounting policies

Company information

Veruth Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 1st Floor, Suite 2, Salisbury Hall, London Colney, St Albans, Hetfordshire, AL2 1BU.

The group consists of Veruth Holdings Limited and all of its subsidiaries.

1.1 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") and the requirements of the Companies Act 2006.

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 £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1 Accounting policies **(Continued)**

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated group financial statements consist of the financial statements of the parent company Veruth Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 October 2021 except for Oracle Drive Systems Limited which is made up to 31 March 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1 Accounting policies **(Continued)**

1.3 Going concern

The impact of the COVID-19 pandemic on the ability of the Company and Group to continue as a going concern has been assessed by the Directors. The Group sells electrical component products via several routes to market including on line, mail order and click and collect sales, and whilst sales have been lower due to the pandemic the Group has not experienced any material consequences as a result of COVID-19 that would impact its ability to continue as a going concern.

The Group generated a profit before taxation of £407k for the year ended 31 October 2021 and has net assets of £7.8 million as at the year end date. During the year, the Group was able to continue to trade despite lockdown restrictions and the Directors took all reasonable steps to mitigate the potential effects of the pandemic on the business, including placing relevant employees on furlough, managing its cost base , maintaining optimal stock levels, and arranging additional finance. The additional finance included a CBILS overdraft providing short term finance up to an amount of £750,000.

The Group has produced forecasts which take into account sensible downside scenarios for the 12 month period from the date of signing these financial statements. These forecasts demonstrate that the Company and Group have sufficient resources to continue to trade. The Group is actively managing the supply chain and believes that it has sufficient access to inventory to ensure that sales in the forecasts are achievable and continues to trade profitably despite the global supply challenges and potential further government lockdown restrictions.

Based on the above the Directors have a reasonable expectation that the Company and Group has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of preparation of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. Where the costs of acquisition is less than the fair value of the net assets acquired negative goodwill is recognised. Goodwill and negative goodwill are initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1 Accounting policies **(Continued)**

1.6 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:

Leasehold land and buildings	2% Straight Line
Plant and equipment	25% Straight Line
Fixtures and fittings	25% Straight Line
Computers	33.33% Straight Line
Motor vehicles	25% Reducing balance basis

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 recognised in the profit and loss account.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

1 Accounting policies **(Continued)**

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

Cost is based on the cost of purchase on a weighted average basis.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks 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.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.12 Financial instruments

The group 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 in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 debtors 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 group after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the 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 group.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies **(Continued)**

1.15 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 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 leased asset are consumed.

1.18 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.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Judgements and key sources of estimation uncertainty **(Continued)**

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Trade debtor recoverability

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

Stock provision

The group makes an estimate of recoverable value of stock. When assessing impairment of stock, management considers factors including the sales activity of each line over the past three years and historical experience.

Investments in minority shareholdings

The group holds a number of minority stakes in business. These is judgement involved in assessing whether the group has significant influence over the activities of these business which reflects whether the investment in these business should be treated as investments, associates or subsidiaries.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Import/export of electrical components - sale of goods	16,004,268	11,502,054

	2021	2020
	£	£
Turnover analysed by geographical market		
United Kingdom	15,924,291	11,282,371
Rest of Europe	24,566	62,843
Rest of World	55,411	156,840
	16,004,268	11,502,054

	2021	2020
	£	£
Other revenue		
Interest income	70,855	59,627
Grants received	24,177	185,636

4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	3,458	27,110
Government grants	(24,177)	(185,636)
Depreciation of owned tangible fixed assets	138,897	159,262
Amortisation of intangible assets	113,326	25,073
Release of negative goodwill	(639)	-
Operating lease charges	126,818	80,919

5 Auditor's remuneration

	2021	2020
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	11,785	11,440
Audit of the financial statements of the company's subsidiaries	18,210	17,680
	29,995	29,120
For other services		
Taxation compliance services	2,140	5,200
All other non-audit services	2,060	5,850
	4,200	11,050

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Administration and distribution	76	62	1	1
Management	13	16	8	7
Total	89	78	9	8

6 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	3,401,833	2,604,085	175,148	164,596
Social security costs	263,483	216,196	18,083	12,576
Pension costs	150,618	127,080	10,545	8,382
	3,815,934	2,947,361	203,776	185,554

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	137,903	129,773
Company pension contributions to defined contribution schemes	8,628	6,900
	146,531	136,673

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).

8 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	8,846	1,529
Other interest income	62,009	58,098
Total income	70,855	59,627

9 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and loans	70,839	25,927
Dividends on redeemable preference shares not classified as equity	-	(2)
Other interest on financial liabilities	3,736	7,758
Other interest	-	1,856
Total finance costs	74,575	35,539

10 Amounts written off investments

	2021	2020
	£	£
Provisions against investments	(57,000)	(75,000)

11 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	220,033	120,986
Deferred tax		
Origination and reversal of timing differences	(16,881)	(17,006)
Total tax charge	203,152	103,980

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Profit before taxation	664,841	411,573
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	126,320	78,199
Tax effect of expenses that are not deductible in determining taxable profit	58,632	13,437
Tax effect of income not taxable in determining taxable profit	(12,051)	-
Tax effect of utilisation of tax losses not previously recognised	(6,953)	-
Change in unrecognised deferred tax assets	5,231	(584)
Effect of change in corporation tax rate	22,033	-
Permanent capital allowances in excess of depreciation	282	-
Depreciation on assets not qualifying for tax allowances	(1,238)	-
Effect of revaluations of investments	-	6,856
Deferred tax adjustments in respect of prior years	-	845
Adjust opening rate of deferred tax	10,896	5,227
Taxation charge	203,152	103,980

11 Taxation (Continued)

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2021	2020
	£	£
Deferred tax arising on:		
Revaluation of property	106,529	-

12 Dividends

	2021	2020
Recognised as distributions to equity holders:	£	£
Interim paid	71,844	71,844

13 Intangible fixed assets

Group	Goodwill	Negative goodwill	Total
	£	£	£
Cost			
At 1 November 2020	346,346	(6,393)	339,953
Additions	876,142	-	876,142
At 31 October 2021	1,222,488	(6,393)	1,216,095
Amortisation and impairment			
At 1 November 2020	228,558	(1,278)	227,280
Amortisation charged for the year	113,326	(639)	112,687
At 31 October 2021	341,884	(1,917)	339,967
Carrying amount			
At 31 October 2021	880,604	(4,476)	876,128
At 31 October 2020	117,788	(5,115)	112,673

The company had no intangible fixed assets at 31 October 2021 or 31 October 2020.

On 6 November 2020, the group acquired 80% of the issued share capital of Oracle Drive Systems Limited. Further details of this acquisition are shown in Note 28.

14 Tangible fixed assets

Group	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 November 2020	2,011,983	410,915	802,670	3,639	-	3,229,207
Additions	-	34,022	24,780	1,552	-	60,354
Business combinations	-	1,169	5,373	-	63,281	69,823
Disposals	-	-	-	(1,144)	-	(1,144)
Revaluation	838,017	-	-	-	-	838,017
At 31 October 2021	2,850,000	446,106	832,823	4,047	63,281	4,196,257
Depreciation and impairment						
At 1 November 2020	80,240	374,256	555,507	1,921	-	1,011,924
Depreciation charged in the year	-	21,007	98,822	923	18,145	138,897
Eliminated in respect of disposals	-	-	-	(1,144)	-	(1,144)
Revaluation	(80,240)	-	-	-	-	(80,240)
At 31 October 2021	-	395,263	654,329	1,700	18,145	1,069,437
Carrying amount						
At 31 October 2021	2,850,000	50,843	178,494	2,347	45,136	3,126,820
At 31 October 2020	1,931,743	36,659	247,163	1,718	-	2,217,283

14 Tangible fixed assets (Continued)

Company	Computers
	£
Cost or valuation	
At 1 November 2020	2,288
Additions	1,552
Disposals	(1,144)
At 31 October 2021	2,696
Depreciation and impairment	
At 1 November 2020	1,401
Depreciation charged in the year	585
Eliminated in respect of disposals	(1,144)
At 31 October 2021	842
Carrying amount	
At 31 October 2021	1,854
At 31 October 2020	887

The carrying value of land and buildings comprises:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Long leasehold	2,850,000	1,931,743	-	-

Land and buildings with a carrying amount of £2,850,000 were revalued at 20 October 2021 by BNP Paribas Real Estate, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

In accordance with FRS102, the property is held as investment property in the company's individual financial statements and as property, plant and equipment in the group financial statements as the property is let to another company within the group.

The following assets are carried at valuation. If the assets were measured using the cost model, the carrying amounts would be as follows:

14 Tangible fixed assets (Continued)

	2021	2020
	£	£
Group		
Cost	2,077,054	2,077,054
Accumulated depreciation	(603,862)	(562,321)
Carrying value	1,473,192	1,514,733

15 Investment property

	Group 2021	Company 2021
	£	£
Fair value		
At 1 November 2020	-	2,000,000
Net gains or losses through fair value adjustments	-	850,000
At 31 October 2021	-	2,850,000

Investment property comprises Europa House which is being held at fair value of £2,850,000. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 20 October 2021 by BNP Paribas Real Estate, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

In accordance with FRS102, the property is held as investment property in the company's individual financial statements and as property, plant and equipment in the group financial statements as the property is let to another company within the group.

16 Fixed asset investments

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Investments in subsidiaries	17	-	-	2,255,277	363,980
Investments in associates	18	272,037	289,860	94,276	125,526
		272,037	289,860	2,349,553	489,506

16 Fixed asset investments **(Continued)**

Movements in fixed asset investments
Group

	Shares in associates £
Cost or valuation	
At 1 November 2020	289,860
Additions	75,750
Share of profits/(losses) of associates	13,427
Dividend recieved from associates	(50,000)
At 31 October 2021	329,037
Impairment	
At 1 November 2020	-
Impairment losses	57,000
At 31 October 2021	57,000
Carrying amount	
At 31 October 2021	272,037
At 31 October 2020	289,860

Movements in fixed asset investments
Company

	Shares in subsidiaries and associates £
Cost or valuation	
At 1 November 2020	489,506
Additions	1,967,047
At 31 October 2021	2,456,553
Impairment	
At 1 November 2020	-
Impairment losses	107,000
At 31 October 2021	107,000
Carrying amount	
At 31 October 2021	2,349,553
At 31 October 2020	489,506

17 Subsidiaries

Details of the company's subsidiaries at 31 October 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Europa Components & Equipment Plc	1	Import/export of electrical components	Ordinary	65.48	-
DTR International Limited	2	Importation and distribution of electronic supplies	Ordinary	60.00	-
HK Xin Te Electric	3	Distribution of electronic supplies	Ordinary	-	60.00
Oracle Drive Systems Limited		Provision of control solutions for industry	Ordinary	80.00	-

Registered office addresses (all UK unless otherwise indicated):

1 Europa House, Airport Way, Luton, Bedfordshire, LU2 9NH
2 1st Floor, Suite 2, Sailisbury Hall, London Colney, St Albans, Hertfordshire, AL2 1BU
3 Hong Kong
4 Unit 31 Batley Business Park, Technology Drive, Batley, West Yorkshire, WF17 6ER

The company being the ultimate parent company of DTR International Limited (Company number: 02725740) has decided to take the exemption from audit of DTR International Limited for the year ended 31 October 2021 under sections 479A and 479C of the Companies Act 2006 and the company will provide guarantee for all the liabilities of DTR International Limited as at 31 October 2021.

The company being the ultimate parent company of Oracle Drive Systems Limited (Company number: 04974921) has decided to take the exemption from audit of Oracle Drive Systems Limited for the year ended 31 October 2021 under sections 479A and 479C of the Companies Act 2006 and the company will provide guarantee for all the liabilities of Oracle Drive Systems Limited as at 31 October 2021.

18 Associates

Details of associates at 31 October 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Gypsy's Gourmet Table Ltd	1st Floor, Suite 2, Sailisbury Hall, London Colney, St Albans, AL2 1BU	Supply of gourmet cooking salts	Ordinary	26	-
SIBA (UK) Ltd	19 Duke Street, Loughborough, Leicestershire, LE11 1ED	Supply of fuses and associated products	Ordinary	25	-
Zellie Limited	19 East Park Parade, Northampton, Northamptonshire, NN1 4LE	Manufacturer of luggage, baggage, saddlery and harnesses	Ordinary	40	-
British School of Aviation Ltd	Building 136 Prospect Way, London Luton Airport, LU2 9QH	Pilot training	Ordinary	30	-
Not Before Tea Ltd	19 East Park Parade, Northampton, Northamptonshire, NN1 4LE	Sale of games and toys	Ordinary	-	26

19 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Finished goods and goods for resale	5,553,945	1,711,489	-	-

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

20 Debtors

Amounts falling due within one year:	Group 2021 £	2020 £	Company 2021 £	2020 £
Trade debtors	3,348,896	2,612,386	36,206	14,608
Other debtors	567,112	1,339,944	1,306,813	957,362
Prepayments and accrued income	425,280	676,540	5,141	1,334
	4,341,288	4,628,870	1,348,160	973,304
Amounts falling due after more than one year:				
Other debtors	947,857	743,978	947,857	743,978
Total debtors	5,289,145	5,372,848	2,296,017	1,717,282

21 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	23	154,876	749,603	154,876	54,876
Other borrowings	23	591,146	484,814	591,146	484,814
Trade creditors		1,201,922	906,618	11,824	23,101
Amounts owed to group undertakings		-	-	680,500	500
Corporation tax payable		259,706	24,564	-	-
Other taxation and social security		21,414	445,179	21,414	19,060
Other creditors		3,716,723	35,743	1,027,871	102,980
Accruals and deferred income		1,275,453	473,924	72,597	44,481
		7,221,240	3,120,445	2,560,228	729,812

21 Creditors: amounts falling due within one year **(Continued)**

The bank loans of the group are secured by a legal charge over the property of the group.

The overdraft of each individual company is secured by way of a fixed and floating charge over the assets of the group. There is currently a bond, guarantees and indemnity facility of £40,000 in place.

An additional bank facility is secured by a fixed and floating charge over the assets of the group.

Included in other creditors is an amount of £2,752,750 (2020: £nil) relating to an invoice discounting facility which is secured by way of a fixed and floating charge over the assets of the group.

22 Creditors: amounts falling due after more than one year

		Group		Company	
		2021	**2020**	**2021**	**2020**
	Notes	**£**	**£**	**£**	**£**
Bank loans and overdrafts	**23**	1,047,647	307,096	1,047,647	307,096

Bank loans totalling £246,947 (2020: £307,096) were repayable on a monthly basis at an interest rate of 4%. Bank loans of £800,000 (2020: £nil) were repayable on a quarterly basis at an interest rate of 3.75%.

Amounts included above which fall due after five years are as follows:

Payable by instalments	27,438	82,319	27,438	82,319

23 Loans and overdrafts

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£	**£**	**£**	**£**
Bank loans	1,202,523	361,972	1,202,523	361,972
Bank overdrafts	-	694,727	-	-
Other loans	591,146	484,814	591,146	484,814
	1,793,669	1,541,513	1,793,669	846,786
Payable within one year	746,022	1,234,417	746,022	539,690
Payable after one year	1,047,647	307,096	1,047,647	307,096

The long-term loans are secured by fixed charges over over the Europa House property.

24 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	**Liabilities 2021 £**	**Liabilities 2020 £**
Accelerated capital allowances	183,260	138,017
Tax losses	(161,533)	(84,453)
Revaluations	140,170	-
Short term timing differences	(8,090)	(6,005)
	153,807	47,559

Company	**Liabilities 2021 £**	**Liabilities 2020 £**
Accelerated capital allowances	113,168	85,740
Tax losses	(161,533)	(84,453)
Investment property	140,170	-
	91,805	1,287

Movements in the year:	**Group 2021 £**	**Company 2021 £**
Liability at 1 November 2020	47,559	1,287
Charge to profit or loss	89,648	90,518
Other	16,600	-
Liability at 31 October 2021	153,807	91,805

£3,990 (2019: £12,502) of the above deferred tax liability is expected to reverse within 12 months.

25 Retirement benefit schemes

Defined contribution schemes	**2021 £**	**2020 £**
Charge to profit or loss in respect of defined contribution schemes	150,618	127,080

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

26 Share capital

Group and company	2021	2020	2021	2020
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary shares of £1 each	35,922	35,922	35,922	35,922

Ordinary shares have full voting, dividend and capital distribution rights.

27 Reserves

Share premium
Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium.

Capital redemption reserve
Includes shares bought back by the company.

Foreign exchange reserve
Comprises translation differences arising from the translation of financial statements of the groups foreign entities into sterling (£).

Profit and loss reserves
Includes all current and prior periods retained profits and losses.

28 Acquisition of a business

On 6 November 2020 the group acquired 80 percent of the issued capital of Oracle Drive Systems Limited.

Net assets acquired	Book Value £	Adjustments £	Fair Value £
Property, plant and equipment	66,144	-	66,144
Inventories	66,000	71,175	137,175
Trade and other receivables	438,515	-	438,515
Cash and cash equivalents	971,416	-	971,416
Trade and other payables	(125,090)	-	(125,090)
Tax liabilities	(206,649)	-	(206,649)
Deferred tax	(12,567)	-	(12,567)
Total identifiable net assets	1,197,769	71,175	1,268,944
Non-controlling interests			(253,789)
Goodwill			876,142
Total consideration			1,891,297

28 Acquisition of a business **(Continued)**

The consideration was satisfied by:	£
Cash	1,532,897
Deferred consideration	358,400
	1,891,297

The adjustments arising on acquisition were in respect of stock undervalued at the date of acquisition.

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	£
Turnover	1,148,485
Profit after tax	143,642

29 Financial commitments, guarantees and contingent liabilities

There is an inter-company guarantee between Veruth Holdings Limited and Europa Components & Equipment Plc to guarantee the borrowings of the group. The total borrowings as at 31 October 2021 were £307,096 (2020: £361,972).

30 Operating lease commitments

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Within one year	279,949	279,390	7,972	7,795
Between two and five years	671,581	861,119	2,851	8,552
In over five years	185,343	248,889	-	-
	1,136,873	1,389,398	10,823	16,347

30 Operating lease commitments **(Continued)**

Lessor

The operating leases represent leases over Europa House to Europa Components & Equipment PLC. The leases are negotiated over terms of 5 years and rentals are fixed for this period. There are no options in place for either party to extend the lease terms.

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Within one year	-	-	172,000	172,000
Between two and five years	-	-	387,000	559,000
	-	-	559,000	731,000

31 Capital commitments

At the year end the group and the company had committed a further £75,000 (2020: £75,000) on investments in its associates to be drawn at the option of the associate.

32 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021	2020
	£	£
Aggregate compensation	158,642	146,625

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Rental income	
	2021	2020
	£	£
Company		
Entities over which the company has control, joint control or significant influence	172,000	145,208

32 Related party transactions **(Continued)**

	Interest paid		Interest recieved	
	2021	2020	2021	2020
	£	£	£	£
Group				
Entities over which the entity has control, joint control or significant influence	-	-	17,308	18,305
Key management personnel	7,766	6,211	-	-
Other related parties	8,129	750	-	-
Company				
Entities over which the entity has control, joint control or significant influence	-	-	27,653	26,211
Key management personnel	7,766	6,211	-	-
Other related parties	8,129	750	-	-

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	***2021***	***2020***
	£	£
Group		
Key management personnel	584,595	457,436
Other related parties	482,881	27,378
Company		
Key management personnel	584,595	457,436
Other related parties	482,881	27,378

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	**2021**	**2020**
	Balance	**Balance**
	£	£
Group		
Entities over which the group has control, joint control or significant influence	434,183	551,770
Company		
Entities over which the company has control, joint control or significant influence	1,306,813	957,362

33 Cash generated from/(absorbed by) group operations

	2021	2020
	£	£
Profit for the year after tax	461,689	307,593
Adjustments for:		
Share of results of associates and joint ventures	(13,427)	(36,084)
Taxation charged	203,152	103,980
Finance costs	74,575	35,539
Investment income	(70,855)	(59,627)
Fair value gain on foreign exchange contracts	-	(10,985)
Amortisation and impairment of intangible assets	112,687	25,073
Depreciation and impairment of tangible fixed assets	138,897	159,262
Other gains and losses	57,000	75,000
Movements in working capital:		
(Increase)/decrease in stocks	(3,705,281)	247,344
Decrease/(increase) in debtors	444,631	(1,040,882)
Increase/(decrease) in creditors	3,870,558	(264,017)
Cash generated from/(absorbed by) operations	1,573,626	(457,804)

34 Analysis of changes in net debt - group

	1 November 2020	Cash flows	Exchange rate movements	31 October 2021
	£	£	£	£
Cash at bank and in hand	294,324	814,558	(5,592)	1,103,290
Bank overdrafts	(694,727)	694,727	-	-
	(400,403)	1,509,285	(5,592)	1,103,290
Borrowings excluding overdrafts	(846,786)	(946,883)	-	(1,793,669)
	(1,247,189)	562,402	(5,592)	(690,379)