

Company registration number 03015615 (England and Wales)

**VIKOMA INTERNATIONAL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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# VIKOMA INTERNATIONAL LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mrs K Lucas Mr P Rayner Mr N J Peach Mr C H B Oakshett
<b>Company number</b>	03015615
<b>Registered office</b>	Kingston Works Kingston Road East Cowes Isle of Wight PO32 6JS
<b>Auditor</b>	Moore (South) LLP The Quay, 30 Channel Way Ocean Village Southampton Hampshire SO14 3TG

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# **VIKOMA INTERNATIONAL LIMITED**

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# VIKOMA INTERNATIONAL LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 MARCH 2023**

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The directors present the strategic report for the year ended 31 March 2023.

### Principal activity

Vikoma International Limited ("Vikoma") is a world leader in the design and manufacture of environmental protection systems, with solutions for oil spill, industrial oily water skimming, fish farm protection, flood, debris and civils applications. Vikoma also designs and manufactures diesel and electro-hydraulic powerpacks for a range of applications in industrial and military markets. The company was founded in 1967 by BP and has established a market leading position, supported by a highly knowledgeable and experienced team at its UK design and manufacture facility.

### Business review

The financial year to 31 March 2023 saw revenue of £7,458k (2022: £7,565k) against a backdrop of residual challenges from the pandemic affecting shipping and the supply chain in the earlier part of the year. However, the business adapted to the challenges presented achieving a gross profit of £3,306k (2022: £2,927k).

The directors are satisfied with the EBITDA generated for the year (before management charges) of £757k (2022: £858k). EBITDA is earnings before interest, tax, depreciation and amortisation, and is a key performance metric of the business.

Pleasingly order intake increased significantly in the second half of the year, securing £8,659k (2022: £5,865k) which has allowed the business to take a strong order book into the next financial year.

The company has expanded its geographical reach, winning business in new countries, as well as continuing a program of ongoing product development throughout the year that has included its new paravane product. In addition, Vikoma continues to build stronger and more strategic relationships with its suppliers and customers which have proven successful in mitigating the challenges of supply chain disruption. Together with investment in stock and plant and these developments have enabled the business to respond quickly to customer demand.

The business maintains a commitment to sustainability and the environment and offers an enhanced refurbishment service, helping its customers reduce their lifetime product cost and reduce their carbon footprint. Investment in new plant and machinery and development of production processes further support sustainability and improve productivity.

There was a net cash generation from operations of £712k (2022: £558k), allowing the Company to make the aforementioned investment in new plant and machinery and production processes.

### Future developments

Vikoma will continue to expand its geographical reach whilst investing in people and product development as well as reducing its own carbon footprint.

### Principal risks and uncertainties

The directors carefully appraise credit risk at the tender stage of each major opportunity and seek to structure progress payments and delivery schedules to manage risk. Suppliers have appropriate credit terms and creditor days outstanding are reported and monitored on a regular basis.

With respect to currency exposure, the company operates from a manufacturing facility in the UK, with exports accounting for approximately 90% of turnover. Although there is a natural hedge of currency risk through sourcing from certain suppliers in foreign currency, the company has net foreign currency denominated receivables. Vikoma hedges the net currency exposure based on confirmed customer orders and delivery dates.

The directors regularly monitor short-term working capital needs and liquidity risks at project and company level to ensure the risk is well managed. Additionally, the company has the support of a strong principal equity investor.

# VIKOMA INTERNATIONAL LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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### Key performance indicators

Management use key performance indicators (KPI's) to monitor the generation of shareholder value. Of these, the principal indicators for 2023 are shown below.

Management are pleased with the performance of the business through the year, generating cash and building the order book whilst improving gross margins from 39% to 41%, demonstrating the business' resilience and developing a strong platform for the year ahead and future growth.

	2023	2022
	£'000	£'000
Order intake	8,659	5,865
Revenue	7,458	7,565
Gross profit	3,036	2,927
EBITDA before management charges	757	858
Cash inflow/(outflow) generated from operations	712	558

On behalf of the board



Mr C H B Oakshett

Director

22 June 2023

# VIKOMA INTERNATIONAL LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2023

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The directors present their annual report and financial statements for the year ended 31 March 2023.

#### Results and dividends

The results for the year are set out on page 9 and are narrated in the Strategic report set out on page 1-3.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### Directors

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

Mrs K Lucas  
Mr P Rayner  
Mr N J Peach  
Mr C H B Oakshett

#### Auditor

In accordance with the company's articles, a resolution proposing that Moore (South) LLP be reappointed as auditor of the company will be put at a General Meeting.

#### Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company'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 principal activity, future developments, research and development activities, financial risk management and exposure to risks.

#### 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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board



Mr C H B Oakshett  
Director

22 June 2023

# **VIKOMA INTERNATIONAL LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT** **FOR THE YEAR ENDED 31 MARCH 2023**

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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 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;
- state whether applicable 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 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.

# VIKOMA INTERNATIONAL LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF VIKOMA INTERNATIONAL LIMITED

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#### Opinion

We have audited the financial statements of Vikoma International Limited (the 'company') for the year ended 31 March 2023 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the 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 company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### 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.



# VIKOMA INTERNATIONAL LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF VIKOMA INTERNATIONAL LIMITED

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

# **VIKOMA INTERNATIONAL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF VIKOMA INTERNATIONAL LIMITED**

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Our approach was as follows:

- The engagement partner selected staff for the audit who had prior knowledge of the client, the industry it operates in and had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements through discussions with management and those charged with governance. We also received available correspondence with regulators to identify any known instances of non-compliance or suspected non-compliance with laws and regulations.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with responsibility for ensuring legal and regulatory compliance is adhered to and considering the internal controls in place to mitigate the identified risks. Management override of controls was identified as a significant fraud risk from our assessment.
- In addition to the possibility of management override of controls, areas considered of higher risk relating to the presentation of information in the financial statements included the recognition of contract revenues and the underlying valuation of assets.
- We assessed the control environment, documenting the systems, controls and processes adopted and undertook an assessment of risks identified in designing our audit approach, which incorporated a combination of tests of controls, analytical review and substantive procedures involving test of transactions and balances. Any irregularities noted were discussed with management and those charged with governance and we obtained additional corroborative evidence required.

To address the risk of fraud through management override we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify any unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- Reviewed the disclosures within the financial statements to ensure they met the requirements of the accounting standards and relevant legislation;
- Reviewed sensitive nominal ledger codes; and
- Reviewed transactions with related parties, in particular transactions with companies with common ownership and transactions with directors.

In response to the potential for the incorrect recognition of revenues and the underlying valuation of related assets we:

- Reviewed the processes and controls adopted by management to assess the accurate recording of revenue and work in progress;
- Assessed managements policy in exercising judgement and applying estimates and applying estimation procedures and assessed whether these policies had been applied consistently;
- Performed analytical procedures and obtained explanations from management for significant variations; and
- Undertook audit procedures to verify transactions and balances.

# **VIKOMA INTERNATIONAL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF VIKOMA INTERNATIONAL LIMITED**

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There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

#### **Use of our report**

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

**Sue Lucas**

**Senior Statutory Auditor**

**For and on behalf of Moore (South) LLP**

Date: 26/06/2023

**Chartered Accountants**

**Statutory Auditor**

The Quay, 30 Channel Way  
Ocean Village  
Southampton  
Hampshire  
SO14 3TG

# VIKOMA INTERNATIONAL LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Revenue	3	7,457,811	7,565,262
Cost of sales		(4,421,700)	(4,638,010)
<b>Gross profit</b>		<b>3,036,111</b>	<b>2,927,252</b>
Administrative expenses		(2,536,995)	(2,417,363)
Other operating income		-	110,950
<b>Operating profit</b>	<b>4</b>	<b>499,116</b>	<b>620,839</b>
Investment income	7	1,276	380
Finance costs	8	(111,529)	(101,870)
<b>Profit before taxation</b>		<b>388,863</b>	<b>519,349</b>
Tax on profit	9	(76,077)	(108,707)
<b>Profit for the financial year</b>		<b>312,786</b>	<b>410,642</b>

The income statement has been prepared on the basis that all operations are continuing operations.

# VIKOMA INTERNATIONAL LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

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	2023 £	2022 £
Profit for the year	312,786	410,642
Other comprehensive income	-	-
Total comprehensive income for the year	<u>312,786</u>	<u>410,642</u>

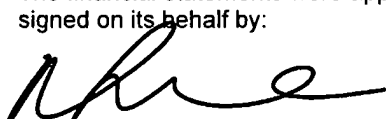
# VIKOMA INTERNATIONAL LIMITED

## STATEMENT OF FINANCIAL POSITION

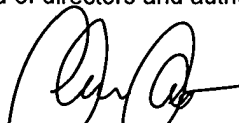
AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Non-current assets</b>					
Intangible assets	10		66,610		99,267
Property, plant and equipment	11		476,332		586,134
			<u>542,942</u>		<u>685,401</u>
<b>Current assets</b>					
Inventories	13	1,879,649		1,464,147	
Trade and other receivables	14	1,873,075		2,410,982	
Cash and cash equivalents		744,726		363,459	
		<u>4,497,450</u>		<u>4,238,588</u>	
<b>Current liabilities</b>	15	(1,803,442)		(1,784,020)	
<b>Net current assets</b>			<u>2,694,008</u>		<u>2,454,568</u>
<b>Total assets less current liabilities</b>			<u>3,236,950</u>		<u>3,139,969</u>
<b>Non-current liabilities</b>	16		(942,567)		(1,156,302)
<b>Provisions for liabilities</b>					
Deferred tax liability		22,970		25,040	
		<u>(22,970)</u>		<u>(25,040)</u>	
<b>Net assets</b>			<u>2,271,413</u>		<u>1,958,627</u>
<b>Equity</b>					
Called up share capital	20		1,000		1,000
Retained earnings			2,270,413		1,957,627
<b>Total equity</b>			<u>2,271,413</u>		<u>1,958,627</u>

The financial statements were approved by the board of directors and authorised for issue on 22 June 2023 and are signed on its behalf by:



Mrs K Lucas  
Director



Mr C H B Oakshett  
Director

Company Registration No. 03015615

# VIKOMA INTERNATIONAL LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

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	Share capital £	Retained earnings £	Total £
Balance at 1 April 2021	1,000	1,546,985	1,547,985
Year ended 31 March 2022:			
Profit and total comprehensive income for the year	-	410,642	410,642
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2022	1,000	1,957,627	1,958,627
Year ended 31 March 2023:			
Profit and total comprehensive income for the year	-	312,786	312,786
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2023	<u>1,000</u>	<u>2,270,413</u>	<u>2,271,413</u>

# VIKOMA INTERNATIONAL LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26	711,676		558,073	
Interest paid		(111,529)		(101,870)	
Income taxes paid		(62,905)		(73,132)	
<b>Net cash inflow from operating activities</b>		537,242		383,071	
<b>Investing activities</b>					
Purchase of intangible assets		(15,748)		(42,973)	
Purchase of property, plant and equipment		(27,430)		(169,404)	
Interest received		1,276		380	
<b>Net cash used in investing activities</b>		(41,902)		(211,997)	
<b>Financing activities</b>					
Repayment of borrowings		(551,302)		(4,288)	
Proceeds of new bank loans		1,376,000		-	
Repayment of bank loans		(1,031,400)		(220,000)	
Payment of finance leases obligations		(40,757)		-	
Proceeds of new finance lease		133,386			
<b>Net cash used in financing activities</b>		(114,073)		(224,288)	
<b>Net increase/(decrease) in cash and cash equivalents</b>		381,267		(53,214)	
Cash and cash equivalents at beginning of year		363,459		416,673	
<b>Cash and cash equivalents at end of year</b>		744,726		363,459	



# VIKOMA INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

#### Company information

Vikoma International Limited is a private company limited by shares incorporated in England and Wales. The registered office is Kingston Works, Kingston Road, East Cowes, Isle of Wight, PO32 6JS.

#### 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. 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.

#### 1.2 Going concern

At 31 March 2023, the Company has reported profit after tax of £312,786 (2022: £410,642) and a net asset position of £2,271,413 (2022: £1,958,627). At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business and accrued income on long term contracts. It 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 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 or goods sold but awaiting collection), 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.

#### 1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

# VIKOMA INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives within administration expenses on the following bases:

Patents	Over five years once the asset is completed
Development Costs	Over five years once the asset is completed

#### 1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

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

Land and buildings Leasehold	Over the lease term
Plant and machinery	1-10 years
Fixtures, fittings & equipment	3-10 years
Motor vehicles	3 years

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.

#### 1.7 Impairment of non-current assets

At each reporting period end date, the company 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.

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.

#### 1.8 Inventories

Inventories 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 inventories to their present location and condition.

Inventories 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.

# VIKOMA INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

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

#### 1.9 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

#### 1.10 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.

#### 1.11 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 in the company's statement of financial position 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 receivables 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.

# VIKOMA INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **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 company 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 company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# VIKOMA INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

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

#### **1.12 Equity instruments**

Equity instruments issued by the company 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 company.

#### **1.13 Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### **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 income statement 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# VIKOMA INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### **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 income statement, 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 when the company has 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.

#### **1.15 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 non-current 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**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

#### **1.18 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.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

# VIKOMA INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

#### 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 company'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.

### 3 Revenue

An analysis of the company's revenue is as follows:

	2023 £	2022 £
<b>Revenue analysed by class of business</b>		
Contract revenue on construction contracts	7,457,811	7,565,262
	<u>7,457,811</u>	<u>7,565,262</u>
	2023 £	2022 £
<b>Revenue analysed by geographical market</b>		
UK and Europe	1,097,649	1,210,442
Rest of the World	6,360,162	6,354,820
	<u>7,457,811</u>	<u>7,565,262</u>
	2023 £	2022 £
<b>Other revenue</b>		
Interest income	1,276	380
Grants received	-	33,262
	<u>1,276</u>	<u>33,262</u>

# VIKOMA INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	(56,976)	60,184
Government grants	-	(33,262)
Fees payable to the company's auditors for the audit of the company's financial statements	16,500	15,000
Fees payable to the company's auditors for non audit services	10,925	9,900
Depreciation of owned property, plant and equipment	137,232	113,729
Amortisation of intangible assets	48,405	51,497
Cost of inventories recognised as an expense	3,295,417	3,558,617
Operating lease charges	153,822	140,554
Management charge	72,000	72,000

### 5 Employees

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

	2023	2022
	Number	Number
Production	42	39
Administration	8	8
Sales and Distribution	5	5
Total	55	52

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	2,028,455	1,868,314
Social security costs	208,525	189,355
Pension costs	151,954	145,582
	2,388,934	2,203,251

### 6 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	334,704	320,296
Company pension contributions to defined contribution schemes	29,159	27,179
	363,863	347,475



# VIKOMA INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 6 Directors' remuneration

(Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2022 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023 £	2022 £
Remuneration for qualifying services	147,565	142,037
Company pension contributions to defined contribution schemes	12,384	11,932
	<u>160,000</u>	<u>153,969</u>

### 7 Investment income

	2023 £	2022 £
<b>Interest income</b>		
Interest on bank deposits	1,276	380
	<u>1,276</u>	<u>380</u>

	2023 £	2022 £
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	1,276	380
	<u>1,276</u>	<u>380</u>

### 8 Finance costs

	2023 £	2022 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	78,088	34,620
Interest payable to group undertakings	6,163	66,156
	<u>84,251</u>	<u>100,776</u>
<b>Other finance costs:</b>		
Finance costs regarding loans from fellow group undertakings	1,582	1,094
Other interest	25,696	-
	<u>27,278</u>	<u>1,094</u>
	<u>111,529</u>	<u>101,870</u>

### 9 Taxation

	2023 £	2022 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	100,231	84,989
Adjustments in respect of prior periods	(22,084)	(1,322)
	<u>78,147</u>	<u>83,667</u>
<b>Total current tax</b>	<u>78,147</u>	<u>83,667</u>

# VIKOMA INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 9 Taxation

(Continued)

	2023 £	2022 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	(2,070)	25,040
	<u>          </u>	<u>          </u>
Total tax charge	76,077	108,707
	<u>          </u>	<u>          </u>

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:

	2023 £	2022 £
Profit before taxation	388,863	519,349
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	73,884	98,676
Tax effect of expenses that are not deductible in determining taxable profit	1,101	507
Tax effect of utilisation of tax losses not previously recognised	(128)	(124)
Adjustments in respect of prior years	(22,084)	(1,320)
Excess depreciation against capital allowances	25,375	(14,072)
Deferred tax	(2,071)	25,040
	<u>          </u>	<u>          </u>
Taxation charge for the year	76,077	108,707
	<u>          </u>	<u>          </u>

### 10 Intangible fixed assets

	Patents £	Development Costs £	Total £
<b>Cost</b>			
At 1 April 2022	38,158	270,809	308,967
Additions - internally developed	-	15,748	15,748
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2023	38,158	286,557	324,715
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Amortisation and impairment</b>			
At 1 April 2022	23,234	186,466	209,700
Amortisation charged for the year	7,594	40,811	48,405
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2023	30,828	227,277	258,105
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount</b>			
At 31 March 2023	7,330	59,280	66,610
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2022	14,924	84,343	99,267
	<u>          </u>	<u>          </u>	<u>          </u>

# VIKOMA INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 10 Intangible fixed assets

(Continued)

Development costs relate to the continuing development of boom technology and are amortised over five years upon their completion.

The total carrying value of intangible assets have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

### 11 Property, plant and equipment

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2022	3,309,935	1,142,510	215,134	2,999	4,670,578
Additions	-	19,731	7,699	-	27,430
Disposals	-	-	(35,393)	(2,999)	(38,392)
At 31 March 2023	3,309,935	1,162,241	187,440	-	4,659,616
<b>Depreciation and impairment</b>					
At 1 April 2022	3,016,212	872,439	192,794	2,999	4,084,444
Depreciation charged in the year	53,461	71,500	12,271	-	137,232
Eliminated in respect of disposals	-	-	(35,393)	(2,999)	(38,392)
At 31 March 2023	3,069,673	943,939	169,672	-	4,183,284
<b>Carrying amount</b>					
At 31 March 2023	240,262	218,302	17,768	-	476,332
At 31 March 2022	293,723	270,071	22,340	-	586,134

The carrying value of land and buildings comprises:

	2023 £	2022 £
Short leasehold	240,262	293,723

The total carrying amount of the tangible fixed assets have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

### 12 Fixed asset investments

	2023 £	2022 £
Investments in subsidiaries	24	-

# VIKOMA INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 12 Fixed asset investments

(Continued)

#### Movements in non-current investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 April 2022 & 31 March 2023	430,112
<b>Impairment</b>	
At 1 April 2022 & 31 March 2023	430,112
<b>Carrying amount</b>	
At 31 March 2023	-
At 31 March 2022	-

### 13 Inventories

	2023 £	2022 £
Raw materials and consumables	1,344,820	1,231,119
Work in progress	533,169	227,414
Finished goods and goods for resale	1,660	5,614
	<u>1,879,649</u>	<u>1,464,147</u>

An impairment loss increase of £9,056 (2022: £6,018 increase) was debited in cost of sales to reflect the movement of the slow moving and obsolete stock.

The total carrying amount of inventories is pledged as security for liabilities.

### 14 Trade and other receivables

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Trade receivables	758,290	2,020,027
Gross amounts owed by contract customers	894,982	73,563
Other receivables	1,725	49,509
Prepayments and accrued income	218,078	267,883
	<u>1,873,075</u>	<u>2,410,982</u>

The debtors are pledged as security for liabilities under a floating charge.

# VIKOMA INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 15 Current liabilities

	Notes	2023 £	2022 £
Bank loans	17	275,200	220,000
Obligations under finance leases	18	44,462	-
Payments received on account		483,043	235,810
Trade payables		460,260	751,913
Corporation tax		100,231	84,989
Other taxation and social security		57,591	50,197
Other payables		161,052	140,296
Accruals and deferred income		221,603	300,815
		<u>1,803,442</u>	<u>1,784,020</u>

### 16 Non-current liabilities

	Notes	2023 £	2022 £
Bank loans and overdrafts	17	894,400	605,000
Obligations under finance leases	18	48,167	-
Other borrowings	17	-	551,302
		<u>942,567</u>	<u>1,156,302</u>

### 17 Borrowings

	2023 £	2022 £
Bank loans	1,169,600	825,000
Loans from group undertakings	-	551,302
	<u>1,169,600</u>	<u>1,376,302</u>
Payable within one year	275,200	220,000
Payable after one year	894,400	1,156,302
	<u>1,169,600</u>	<u>1,376,302</u>

Loans from fellow group company includes a loan drawn down in July 2015 and October 2015. The loan bears interest at 12% and includes accrued interest of £Nil (2022: £Nil). This loan is secured by a fixed and floating charge over the assets of the company. This loan was repaid in the year as part of loan restructuring.

During the year the loans from group undertakings of £551,302 were fully refinanced by the bank on 5 May 2022. The total bank loan of £1,376,000 bears fixed interest at the aggregate rate of 5.625% and is repayable over 5 years from this date. The bank loan is secured by a fixed and floating charge over the assets of the company.

# VIKOMA INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 18 Finance lease obligations

	2023 £	2022 £
Future minimum lease payments due under finance leases:		
Within one year	44,462	-
In two to five years	48,167	-
	<u>92,629</u>	<u>-</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 19 Retirement benefit schemes

	2023 £	2022 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	151,954	145,582
	<u>151,954</u>	<u>145,582</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 20 Share capital

	2023 Number	2022 Number	2023 £	2022 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary shares of 10p each	10,000	10,000	1,000	1,000
	<u>10,000</u>	<u>10,000</u>	<u>1,000</u>	<u>1,000</u>

The company has one class of Ordinary share. The holders of the ordinary shares are entitled to the right to receive notice of, attend to and vote at all general meetings of the Company. They are also entitled to receive dividends at the discretion of the Company and to participate in the distribution of assets on winding up in accordance with the Articles. The shares are not redeemable.

Called up share capital represents the nominal value of shares that have been issued.

### 21 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:

	2023 £	2022 £
Within one year	153,170	159,807
Between one and five years	484,704	603,195
In over five years	-	34,680
	<u>637,874</u>	<u>797,682</u>

# VIKOMA INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 22 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	499,574	475,701

#### Transactions with related parties

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

	Management charge in the year		Interest charge in the year	
	2023 £	2022 £	2023 £	2022 £
Entities with control, joint control or significant influence over the company	72,000	72,000	-	-
Other related parties	-	-	6,163	66,156

The following amounts were outstanding at the reporting end date:

	2023 £	2022 £
Amounts owed to related parties		
Other related parties	-	551,302

The amount owed to other related party in the prior year, relates to a loan from a fellow group undertaking, see note 17 for further details. This loan was repaid in the year.

### 23 Financial commitments, guarantees and contingent liabilities

The company has contingent liabilities in respect of bank bonds of £337,836 (2022: £350,553) arising from goods exported in the normal course of trade. These are secured by a fixed and floating charge against the company's assets.

# VIKOMA INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 24 Subsidiaries

These financial statements are separate company financial statements for Vikoma International Limited.

All of the subsidiary undertakings are dormant or inactive and immaterial to the group.

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Vikoma Oil Pollution and Environmental Equipment Trading (Shanghai) Co. Limited	China Provision of oil spill equipment in China	Ordinary Shares	100.00	-

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Vikoma Oil Pollution and Environmental Equipment Trading (Shanghai) Co. Limited		(53,861)

The investment in subsidiaries are all stated at cost, with an impairment provision where necessary.

### 25 Ultimate controlling party

Agon Holdings Four Limited (a company registered in England & Wales) is the immediate parent undertaking. Agon Holdings Four Limited is controlled by Agathos Fund One LP, a private equity fund which does not have a single controlling investor.



# VIKOMA INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 26 Cash generated from operations

	2023 £	2022 £
Profit for the year after tax	312,786	410,642
<b>Adjustments for:</b>		
Taxation charged	76,077	108,707
Finance costs	111,529	101,870
Investment income	(1,276)	(380)
Amortisation and impairment of intangible assets	48,405	51,497
Depreciation and impairment of property, plant and equipment	137,232	113,729
<b>Movements in working capital:</b>		
(Increase) in inventories	(415,502)	(313,609)
Decrease/(increase) in trade and other receivables	537,907	(34,164)
(Decrease)/increase in trade and other payables	(95,482)	119,781
<b>Cash generated from operations</b>	<b>711,676</b>	<b>558,073</b>

### 27 Analysis of changes in net debt

	1 April 2022 £	Cash flows £	31 March 2023 £
Cash at bank and in hand	363,459	381,267	744,726
Borrowings excluding overdrafts	(1,376,302)	206,702	(1,169,600)
Obligations under finance leases	-	(92,629)	(92,629)
	<b>(1,012,843)</b>	<b>495,340</b>	<b>(517,503)</b>