

COMPANY REGISTRATION NUMBER: 03165185

Amnack Limited

Financial statements

30th April 2022



Amnack Limited

Financial statements

period from 1st April 2021 to 30th April 2022

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Amnack Limited

Officers and professional advisers

The board of directors

Mr T Guest
Mr V Parisi
Mr N Mallinson
Mr A Walstow

Company secretary

Sisec Limited

Registered office

Millfield Industrial Estate
Arksey Lane
Bentley
Doncaster
South Yorkshire
DN5 0SJ

Auditor

Sagars Accountants Ltd
Chartered Accountants & statutory auditor
Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

Amnack Limited

Strategic report

period from 1st April 2021 to 30th April 2022

The directors present their strategic report for the year ended 30 April 2022.

Review of the business in the year

The principal activity of the company during the year was the manufacture and sale of electrical products.

Amnack along with many companies continued to face unprecedented challenges during 2021/22, with the business having to deal with the effects and aftermath of a pandemic, Brexit, the war in Ukraine, and a further rise in the price of copper and other key raw materials such as polymers, resins, cardboard, timber and steel.

The restructuring program of the business which resulted in substantially reduced overheads and operating costs whilst focusing on traditional wholesale sectors and expanding into adjacent sectors continued to be reviewed and assessed. At the time of writing this the strategic focus of the business looks to have been successful, however it has been identified that further growth is achievable with the correct levels of investment in plant and personnel.

Whilst the increasing prices of many key raw materials brought inherent challenges it also helped assist an increase of turnover from the £28.5m of 2020/2021, to approximately £40.9m in 2021/2022. The operating profits of the business also increased from £276k to £3.3m. Some of the increase in turnover and operating profits was due to the financial year being made up of 13 months as opposed to 12.

Position of the company's business at the end of the year

The company's net current assets at 30th April 2022 are £8,528,098 (2021 £5,734,803).

The electric cable business is a highly competitive and mature industry that comprises products from legacy companies such as Prysmian, Nexans and Amnack under its trading name of Doncaster cables on the one hand, and the low cost sometimes low-quality products imported from overseas. Amnack's competitive strategy has been and continues to be to achieve superior performance over our competitors by offering value for money, high quality and innovative products and above all superior customer service.

It is believed that the effects of the pandemic, and the uncertainty leading up to and immediately following Brexit, have resulted in a larger desire for organisations to onshore and shorten supply chains. This benefited Amnack and it is hoped that this mind set will continue as people see more value in security of supply, which would increase the value added perception of Amnack's offering.

Principal risks and uncertainties facing the business

The company has undertaken comprehensive stress testing of various scenarios that could have an adverse effect on the business and have evaluated actions to minimise their consequences.

The global nature of the pandemic coupled with the war in Ukraine has resulted in widespread disruption and shortages of raw materials. In some issues it has been necessary to secure materials from alternative sources. A key example of this is the plywood which is used in some reels that cable is wound onto for final point of sale; the majority of Europe's plywood was manufactured using Russian birch which is now not available in the market. This has led to some packaging having to be redesigned to ensure preservation of product (as the alternative Chinese plywood was found to not be at a satisfactory level).

Whilst growth of previous export markets has been seen in some countries in the middle east, the political tensions resulting from Beijing's imposition of tighter controls from mainland China has hampered sales to Hong Kong. It is unlikely that a improvement will be seen in this market in the near future.

Consumer and investor demand for sustainability is playing a part in changing customers purchasing attitudes as the environmental costs of unlegislated manufacturing, the growing demand to decarbonise and switch to sustainably energy sources and the environmental damage caused by shipping from the Far East is increasingly highlighted. This has also resulted in some businesses looking to source British made products rather than relying on imported goods. Amnack is in a good position to exploit these changes in customer preferences with its range of innovative products and excellent customer service.

Amnack Limited

Strategic report *(continued)*

period from 1st April 2021 to 30th April 2022

This report was approved by the board of directors on 18th October 2022 and signed on behalf of the board by:



Mr N Mallinson
Director

Registered office:
Millfield Industrial Estate
Arksey Lane
Bentley
Doncaster
South Yorkshire
DN5 0SJ

Amnack Limited

Directors' report

period from 1st April 2021 to 30th April 2022

The directors present their report and the financial statements of the company for the period ended 30th April 2022.

Directors

The directors who served the company during the period were as follows:

Mr T Guest
Mr V Parisi
Mr N Mallinson
Mr A Walstow

Dividends

The directors do not recommend the payment of a dividend.

Greenhouse gas emissions and energy consumption

	Unit	30 Apr 22	31 Mar 21
Emissions resulting from activities for which the company is responsible	tCO2e	44	99
Emissions resulting from the purchase of electricity by the company for its own use	tCO2e	468	890
Total emissions	tCO2e	512	989
Total energy consumption	kWh	4,235,000	4,580,000
Tonnes of CoO2e per tonne of copper in cable		0.21	0.36

Amnack Limited

Directors' report *(continued)*

period from 1st April 2021 to 30th April 2022

Methodologies for energy and emissions calculations

Amnack Limited t/a Doncaster Cables is an independent electrical cable manufacturer, located in Bentley, Doncaster. The site is equipped with advanced cable making equipment enabling the production of the highest level of quality products and in strict compliance with British, European and International standards.

The Company is fully aware of the environmental impact of the site's activities and as a responsible business is actively looking to reduce energy consumption and waste in any form. The company's primary processes involve the drawing of copper wire and the extrusion of various plastic and as such is a high energy user.

GHG emissions data for the period 1st April 2021 to 30th April 2022 (in Global tonnes of CO₂e - all UK)

1. Company Information Amnack Limited is a private limited company, incorporated in the UK. Registered address is Millfields Industrial Estate, Arksey Lane, Bentley, Doncaster DN5 0SJ.

2. Reporting period 1st April 2021 to 30th April 2022.

3. Organisational boundary - The business operates from a single site located in the UK.

4. Operational scopes - We have measured and reported on scopes 1 & 2.

5. We have followed the Government's Guidance on how to measure and report greenhouse gas emissions.

- Half Hourly Meter - Readings taken automatically by supplier and checked by Works Engineer. Report also provided by our Energy Consultants giving details of daily consumption, minimum and maximum loadings and power factor.

- Non Half Hourly Meter - Read manually on a monthly basis. Checked by Works Engineer.

- GAS Meter - Readings taken automatically by supplier and checked by Works Engineer.

- Propane and FLT Diesel - Based on purchases during the years.

- Fuel (Diesel and Petrol) - Based on litres of fuel purchased for business purposes.

- Copper tonnes in cable sold was chosen as the basis for the intensity measure as this best reflects the activity of the manufacturing process. The weights are calculated from our standard cost weights which are routinely checked against actual samples taken from production. The intensity measure is derived from dividing the CO₂e annual emission tonnes by the tonnes of copper in product as recorded in the annual sales

2021/22 has been another challenging year due to the recovery from the Covid-19 pandemic, however positive changes have been made. The most significant change has been the decision to enter a long term energy contract that is 100% renewable energy. This contract is for the largest consumption area on site (being the factory). It has been decided to report the CO₂e figures excluding this renewable energy. To enable comparison to prior year, had there been no renewable energy this would have been 835 tonnes rather than the 512 tonnes reported in the table above. The organisation has also introduced its first full electric vehicle, and the remainder of the car fleet has been changed to plug in electric hybrids.

Amnack Limited

Directors' report *(continued)*

period from 1st April 2021 to 30th April 2022

Principal measures taken to increase energy efficiency

To minimise the company's impact on the environment and to achieve cost savings since the base year the company has taken the following actions:

- Replacement of factory, warehouse and office lighting with efficient LED photocell and motion activated lighting
- Installation of variable speed drives on factory cooling systems.
- Installation of fast action entry/exit doors to factory and warehouse.
- Replacement of factory and warehouse roof skylights.
- Installation and replacement of several major machines with modern energy efficient AC motors and drives.
- Refurbishment of secondary warehouse including replacement insulation cladding.
- Up-grading of drives, motors and control systems on selected extrusion machines.
- Installation of monitoring and control systems on selected extrusion machines to optimise control of waste including temperature and heating.
- Installation of energy monitoring equipment on several key machines.
- Made Hybrid car options available to management and sales representatives including on-site charging facilities.
- Replacement of silicone extrusion line.
- Full electric vehicles now being used
- Additional electric vehicle charge points installed on site to encourage use of electric vehicles
- Change to renewable energy source for the main demand of electricity used in production facility (half hourly meter contract for the factory)

Planned Future Actions:

- Replacement/up-grading of more key machines. (eg AC drives and drives, monitoring and control systems)
- Extend use of Variable Speed Drives.
- Continue to evaluate the costs and benefits of PV energy systems

Disclosure of information in the strategic report

The Company has chosen in accordance with section 414C(11) of the Companies Act 2006(Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. 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 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 judgments 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 company will continue in business.

Amnack Limited

Directors' report *(continued)*

period from 1st April 2021 to 30th April 2022

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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Sagars Accountants Ltd is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 18th October 2022 and signed on behalf of the board by:



Mr N Mallinson
Director

Registered office:
Millfield Industrial Estate
Arksey Lane
Bentley
Doncaster
South Yorkshire
DN5 0SJ

Amnack Limited

Independent auditor's report to the members of Amnack Limited

period from 1st April 2021 to 30th April 2022

Opinion

We have audited the financial statements of Amnack Limited (the 'company') for the period ended 30th April 2022 which comprise the statement of income and retained earnings, statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 30th April 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Amnack Limited

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

period from 1st April 2021 to 30th April 2022

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Amnack Limited

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

period from 1st April 2021 to 30th April 2022

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of income, management override of controls and posting of unusual journals and complex transactions. We discussed these risks with client management, designed audit procedures to test the inclusion and timing of income, tested a sample of journals to confirm they were appropriate and reviewed areas of judgement for indicators of management bias to address these risks.

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 the auditing standards. 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Amnack Limited

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

period from 1st April 2021 to 30th April 2022

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.

James Hunt

James Hunt BA(Hons) MA ACA (Senior Statutory Auditor)

For and on behalf of
Sagars Accountants Ltd
Chartered Accountants & statutory auditor
Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

18th October 2022

Amnack Limited

Statement of income and retained earnings

period from 1st April 2021 to 30th April 2022

	Note	Period from 1 Apr 21 to 30 Apr 22 £	Year to 31 Mar 21 £
Turnover	4	40,924,051	28,529,713
Other operating income	5	—	334,744
		<u>40,924,051</u>	<u>28,864,457</u>
Raw material and consumables		(30,387,853)	(22,563,907)
Staff costs	8	(3,503,576)	(2,988,365)
Depreciation and other amounts written off tangible and intangible fixed assets		(525,372)	(559,594)
Other operating expenses		<u>(3,188,469)</u>	<u>(2,476,240)</u>
Operating profit	6	3,318,781	276,351
Interest payable and similar expenses	10	(453,516)	(441,720)
Profit/(loss) before taxation		<u>2,865,265</u>	<u>(165,369)</u>
Tax on profit/(loss)	11	41,212	20,294
Profit/(loss) for the financial period and total comprehensive income		<u><u>2,906,477</u></u>	<u><u>(145,075)</u></u>
Retained losses at the start of the period		(16,686,059)	(16,540,984)
Retained losses at the end of the period		<u><u>(13,779,582)</u></u>	<u><u>(16,686,059)</u></u>

All the activities of the company are from continuing operations.

The company has no recognised gains or losses other than the results for the period as set out above.

The notes on pages 14 to 24 form part of these financial statements.

Amnack Limited

Statement of financial position

30th April 2022

	Note	30 Apr 22 £	£	31 Mar 21 £	£
Fixed assets					
Intangible assets	12		4,200,000		4,308,333
Tangible assets	13		<u>2,045,367</u>		<u>2,495,775</u>
			6,245,367		6,804,108
Current assets					
Stocks	14	7,538,665		5,613,531	
Debtors	15	7,272,777		5,418,003	
Cash at bank and in hand		<u>2,246,459</u>		<u>830,961</u>	
		17,057,901		11,862,495	
Creditors: amounts falling due within one year	16	<u>(8,532,803)</u>		<u>(6,127,692)</u>	
Net current assets			<u>8,525,098</u>		<u>5,734,803</u>
Total assets less current liabilities			14,770,465		12,538,911
Creditors: amounts falling due after more than one year	17		<u>(15,750,047)</u>		<u>(16,424,970)</u>
Net liabilities			<u>(979,582)</u>		<u>(3,886,059)</u>
Capital and reserves					
Called up share capital	21		12,800,000		12,800,000
Profit and loss account	22		<u>(13,779,582)</u>		<u>(16,686,059)</u>
Shareholders deficit			<u>(979,582)</u>		<u>(3,886,059)</u>

These financial statements were approved by the board of directors and authorised for issue on 18th October 2022, and are signed on behalf of the board by:



Mr N Mallinson
Director

Company registration number: 03165185

The notes on pages 14 to 24 form part of these financial statements.

Amnack Limited

Notes to the financial statements

period from 1st April 2021 to 30th April 2022

1. General information

The company is a private limited company, which is incorporated in England and Wales (no 03165185). The address of the registered office is Millfield Industrial Estate, Arksey Lane, Bentley, Doncaster, South Yorkshire, DN5 0SJ.

The principal activity of the company during the year was the manufacture of electrical goods.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The directors have assessed the company's ability to continue as a going concern. The company meets its working capital requirements through group loan funding and bank facilities. The bank facilities comprise an invoice financing facility and an import loan facility. The directors are confident that current banking facilities will continue to be made available to the company and these are sufficient to enable the company to continue to trade for at least 12 months from the date of approval of these accounts. Included in creditors falling due after more than one year are loans due to Inter Holding II SARL, see note 17 for details regarding repayment terms.

The directors prepare annual budgets and forecasts in order to ensure that they have sufficient facilities in place and that they comply with the terms and conditions of the bank facilities.

Accordingly the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis of accounting in preparing these financial statements.

The directors have further considered the risks and uncertainties facing the company in the Strategic Report.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Inter Holding II SARL which can be obtained from 5 Rue Xavier Brasseur, 4040 Esch-sur-Alzette. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of share-based payments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Details of these judgements are set out in the accounting policies.

Amnack Limited

Notes to the financial statements *(continued)*

period from 1st April 2021 to 30th April 2022

3. Accounting policies *(continued)*

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Intangible assets and amortisation

Trademarks and brand names are recorded at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged so as to allocate the cost of intangibles less any residual value over the estimated useful life. Impairment reviews are carried out annually.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Trademarks & Brand Name - 50 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Amnack Limited

Notes to the financial statements (continued)

period from 1st April 2021 to 30th April 2022

3. Accounting policies (continued)

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant & Machinery - between 4 and 10 years

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Amnack Limited

Notes to the financial statements *(continued)*

period from 1st April 2021 to 30th April 2022

3. Accounting policies *(continued)*

Defined contribution plans

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to statement of income and retained earnings.

Debtors

Short term trade and other debtors are measured at transaction price, less any impairment. A provision is made against specific balances when there is evidence that the full amount due will not be recovered. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

4. Turnover

Turnover arises from:

	Period from 1 Apr 21 to 30 Apr 22 £	Year to 31 Mar 21 £
Sale of goods	<u>40,924,051</u>	<u>28,529,713</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	Period from 1 Apr 21 to 30 Apr 22 £	Year to 31 Mar 21 £
United Kingdom	40,351,555	25,709,663
Overseas	<u>572,496</u>	<u>2,820,050</u>
	<u>40,924,051</u>	<u>28,529,713</u>

5. Other operating income

	Period from 1 Apr 21 to 30 Apr 22 £	Year to 31 Mar 21 £
Other operating income	<u>-</u>	<u>334,744</u>

Amnack Limited

Notes to the financial statements (continued)

period from 1st April 2021 to 30th April 2022

6. Operating profit

Operating profit or loss is stated after crediting:

	Period from 1 Apr 21 to 30 Apr 22 £	Year to 31 Mar 21 £
Gains on disposal of tangible assets	(83,069)	—
Impairment of trade debtors	(14,680)	(17,871)
Foreign exchange differences	<u>(24,722)</u>	<u>(246,913)</u>

7. Auditor's remuneration

	Period from 1 Apr 21 to 30 Apr 22 £	Year to 31 Mar 21 £
Fees payable for the audit of the financial statements	<u>21,000</u>	<u>19,925</u>
Fees payable to the company's auditor and its associates for other services: Other non-audit services	<u>3,700</u>	<u>5,750</u>

8. Staff costs

The average number of persons employed by the company during the period, including the directors, amounted to:

	30 Apr 22 No.	31 Mar 21 No.
Production staff	53	73
Administrative staff	<u>11</u>	<u>15</u>
	<u>64</u>	<u>88</u>

The aggregate payroll costs incurred during the period, relating to the above, were:

	Period from 1 Apr 21 to 30 Apr 22 £	Year to 31 Mar 21 £
Wages and salaries	3,235,276	2,796,050
Social security costs	225,962	150,641
Other pension costs	<u>42,338</u>	<u>41,674</u>
	<u>3,503,576</u>	<u>2,988,365</u>

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	Period from 1 Apr 21 to 30 Apr 22 £	Year to 31 Mar 21 £
Remuneration	<u>982,329</u>	<u>558,446</u>

Amnack Limited

Notes to the financial statements *(continued)*

period from 1st April 2021 to 30th April 2022

9. Directors' remuneration *(continued)*

Remuneration of the highest paid director in respect of qualifying services:

	Period from 1 Apr 21 to 30 Apr 22 £	Year to 31 Mar 21 £
Aggregate remuneration	<u>589,637</u>	<u>278,608</u>

10. Interest payable and similar expenses

	Period from 1 Apr 21 to 30 Apr 22 £	Year to 31 Mar 21 £
Interest on debenture loans	358,518	378,861
Interest on obligations under finance leases and hire purchase contracts	8,650	5,026
Other interest payable and similar charges	<u>86,348</u>	<u>57,833</u>
	<u>453,516</u>	<u>441,720</u>

11. Tax on profit/(loss)

Major components of tax income

	Period from 1 Apr 21 to 30 Apr 22 £	Year to 31 Mar 21 £
Current tax:		
UK current tax expense	3,000	—
Adjustments in respect of prior periods	<u>(44,212)</u>	<u>(20,294)</u>
Total current tax	<u>(41,212)</u>	<u>(20,294)</u>
Tax on profit/(loss)	<u>(41,212)</u>	<u>(20,294)</u>

Amnack Limited

Notes to the financial statements *(continued)*

period from 1st April 2021 to 30th April 2022

11. Tax on profit/(loss) *(continued)*

Reconciliation of tax income

The tax assessed on the profit/(loss) on ordinary activities for the period is lower than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	Period from 1 Apr 21 to 30 Apr 22 £	Year to 31 Mar 21 £
Profit/(loss) on ordinary activities before taxation	2,865,265	(165,369)
Profit/(loss) on ordinary activities by rate of tax	544,401	(31,420)
Effect of expenses not deductible for tax purposes	103,283	90,984
Capital allowances in excess of depreciation	39,439	1,764
Utilisation of tax losses	(662,127)	(67,810)
Prior year under /over provision	(44,212)	(20,294)
Other adjustments affecting tax charge	(21,996)	6,482
Tax on profit/(loss)	(41,212)	(20,294)

Factors that may affect future tax income

As a result of trading losses in the previous five years the company has tax losses of £11.2m available to be utilised against future trading profits from the same trade. No deferred tax asset has been recognised in respect of these losses.

12. Intangible assets

	Trademark and brand name £
Cost	
At 1st April 2021 and 30th April 2022	5,000,000
Amortisation	
At 1st April 2021	691,667
Charge for the period	108,333
At 30th April 2022	800,000
Carrying amount	
At 30th April 2022	4,200,000
At 31st March 2021	4,308,333

Amnack Limited

Notes to the financial statements *(continued)*

period from 1st April 2021 to 30th April 2022

13. Tangible assets

	Plant and machinery £
Cost	
At 1st April 2021	12,749,074
Additions	83,926
Disposals	(369,981)
At 30th April 2022	12,463,019
Depreciation	
At 1st April 2021	10,253,299
Charge for the period	500,108
Disposals	(335,755)
At 30th April 2022	10,417,652
Carrying amount	
At 30th April 2022	2,045,367
At 31st March 2021	2,495,775

Hire purchase agreements

Included within net book value of £2,045,367 is £247,916 (2021 - £283,022) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £41,027 (2021 - £31,419)

14. Stocks

	30 Apr 22 £	31 Mar 21 £
Raw materials and consumables	2,725,913	590,077
Work in progress	1,137,160	2,098,493
Finished goods and goods for resale	3,675,592	2,924,961
	7,538,665	5,613,531

15. Debtors

	30 Apr 22 £	31 Mar 21 £
Trade debtors	5,421,990	5,150,506
Deferred tax asset	29,338	29,338
Prepayments and accrued income	129,436	106,624
Corporation tax repayable	13,578	-
Other debtors	1,678,435	131,535
	7,272,777	5,418,003

Amnack Limited

Notes to the financial statements *(continued)*

period from 1st April 2021 to 30th April 2022

16. Creditors: amounts falling due within one year

	30 Apr 22 £	31 Mar 21 £
Bank loans and overdrafts	3,880,327	3,630,621
Trade creditors	1,647,290	563,669
Accruals and deferred income	500,093	465,190
Social security and other taxes	1,112,680	754,522
Obligations under finance leases and hire purchase contracts	65,619	67,302
Other creditors	1,326,794	646,388
	<u>8,532,803</u>	<u>6,127,692</u>

The bank loans and overdrafts due within one year are secured by way of a fixed and floating charge over all assets of the company in favour of HSBC Invoice Finance (UK) Ltd and HSBC UK Bank Plc.

17. Creditors: amounts falling due after more than one year

	30 Apr 22 £	31 Mar 21 £
Long term loans	15,654,032	15,644,742
Bank loans and overdrafts	—	600,000
Obligations under finance leases and hire purchase contracts	96,015	180,228
	<u>15,750,047</u>	<u>16,424,970</u>

Included within creditors falling due after more than one year is £15,654,032 (2021 - £15,244,742) in respect of long terms loans which are due for repayment after 12 months from the balance sheet date. The rate of interest payable on these loans is between a fixed rate of 1.5% and 1.75%. Loans are due for repayment before 31 March 2025 and 31 December 2031.

The bank loan is secured by way of a fixed and floating charge over all assets of the company in favour of HSBC UK Bank Plc.

18. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	30 Apr 22 £	31 Mar 21 £
Not later than 1 year	65,619	67,302
Later than 1 year and not later than 5 years	96,015	180,228
	<u>161,634</u>	<u>247,530</u>

Amnack Limited

Notes to the financial statements (continued)

period from 1st April 2021 to 30th April 2022

19. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	30 Apr 22 £	31 Mar 21 £
Included in debtors (note 15)	<u>29,338</u>	<u>29,338</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	30 Apr 22 £	31 Mar 21 £
Accelerated capital allowances	<u>29,338</u>	<u>29,338</u>

20. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £42,338 (2021: £41,674).

21. Called up share capital

Issued, called up and fully paid

	30 Apr 22		31 Mar 21	
	No.	£	No.	£
Ordinary shares of £1 each	<u>12,800,000</u>	<u>12,800,000</u>	<u>12,800,000</u>	<u>12,800,000</u>

22. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

23. Capital commitments

Capital expenditure contracted for but not provided for in the financial statements is as follows:

	30 Apr 22 £	31 Mar 21 £
Tangible assets	<u>125,128</u>	<u>26,532</u>

24. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	30 Apr 22 £	31 Mar 21 £
Not later than 1 year	<u>304,784</u>	<u>307,176</u>
Later than 1 year and not later than 5 years	<u>—</u>	<u>5,382</u>
	<u>304,784</u>	<u>312,558</u>

Amnack Limited

Notes to the detailed income statement *(continued)*

period from 1st April 2021 to 30th April 2022

	Period from 1 Apr 21 to 30 Apr 22 £	Year to 31 Mar 21 £
Brought forward	3,162,165	2,440,257

25. Related party transactions

During the year loans have been provided through facilities made available by companies under the same common control as Amnack Limited. Loan facilities have also been provided by the parent company of Amnack Limited and the ultimate controlling party of the company.

During the year Amnack Limited incurred interest of £344,283 (2021 - £358,140) and at the year end Amnack Limited owed £15,654,032 (2021 - £15,644,742) in respect of these loans.

During the year Amnack Limited made sales totalling £17,763,140, purchases of £378,774 and management charges of £71,929 to companies under the same common control. At the year end the Amnack Limited was owed £717,929 and owed £70,377 to these companies and these balances are included in trade debtors and trade creditors. All sales and purchases to and from parties under common control were made on normal commercial terms.

During the year the company paid £588 (2021 - £944) to C and AM Associates Limited, a company of which Neil Mallinson is a director and shareholder.

26. Controlling party

The company was under the control of Gibb Limited, a company incorporated in Bermuda, throughout the previous year and until 31st December 2021 for the current year. From 1st January 2022, the controlling party is Inter Holding II SARL, a company incorporated in Luxembourg.