

**Sensitisers Group Ltd**  
**Financial Statements**  
**31 March 2023**

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# **Sensitisers Group Ltd**

## **Financial Statements**

**Year ended 31 March 2023**

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**Sensitisers Group Ltd**  
**Officers and Professional Advisers**

**The board of directors**

P A Newell (Resigned 9 May 2023)  
P M Bartlett  
B Colak

**Registered office**

Kernick Road  
Penryn  
Cornwall  
TR10 9DQ

**Auditor**

RRL LLP  
Chartered accountants & statutory auditor  
Peat House  
Newham Road  
Truro  
Cornwall  
TR1 2DP

# **Sensitisers Group Ltd**

## **Strategic Report**

**Year ended 31 March 2023**

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

### **PRINCIPAL ACTIVITIES**

The principal activities of the group remain unchanged as industrial surface coaters and convertors.

### **BUSINESS REVIEW**

#### **Performance**

The group manufactures and distributes a wide range of coated films and papers from its two UK divisions into a range of global markets. The results for the year are set out on page 11. The group made a loss for the financial year after taxation of £1,823,042 (2022 profit £352,249), the loss included an exceptional cost of £1,637,185 relating to the write off of a coating machine. The coating machine was written off following an independent assessment, which confirmed that to continue with its build and subsequent trialling was not a viable option from a cost perspective. Further losses were driven by increased energy surcharges from key suppliers, and a downturn in global market demand, seen across all products and our competitors.

The group in the last twelve to fifteen months has significantly reduced operating costs driven by increased manufacturing speeds and efficiencies. The group has restructured its board and senior management team and in addition has created new functions to drive further improvements through its process engineering team.

#### **Measurement**

The group undertakes detailed business planning to define strategic objectives. Key performance indicators include delivery performance, customer complaints, production reliability and productivity and sales plan achievement together with a number relating to both health and safety and our employees. The board considers that the group has an effective measurement and reporting system, consistent with its size and complexity.

As far as financial performance is concerned the key measurements used by the group are turnover and operating profit as reported on the face of the statement of comprehensive income and cashflow performance.

#### **Risks and uncertainties**

The following comprises a summary of what the group believes are the main risks to which the group is exposed, which could affect the business, results of operations, cashflow, financial condition, turnover, profits, assets, liquidity and capital resources of the group.

##### **1. The prices of the raw materials the group uses could adversely affect its results of operations, cashflow and or financial condition.**

The group uses significant amounts of film, various chemicals and other raw materials in manufacturing its products. Prices for some of these materials are based on commodity prices which can be volatile. The group also relies on a small number of suppliers for key raw materials. If any of these suppliers is unable to meet its obligations or increases its prices, the group may not find a replacement supplier that is able to provide such raw materials on similar terms. This risk is partly mitigated by ensuring the maintenance of high levels of stock of key raw materials.

# **Sensitisers Group Ltd**

## **Strategic Report** *(continued)*

**Year ended 31 March 2023**

**2. The occurrence of major operational problems could have an adverse effect on the group's results of operations, cash flow and or financial condition.**

The group's revenues are dependent on the continued operation of its manufacturing facilities. The main operational risks include;

- temporary plant and/or utility outages
- raw material supply disruptions
- labour force shortages
- events impeding the transporting of products
- natural disasters

Whilst the group maintains insurance at levels that it believes are appropriate, some of these operational risks could result in losses and liabilities in excess of its insurance coverage or in uninsured losses or liabilities. The occurrence of major operational problems may have an adverse effect on the results of operations, cash flow and/or financial condition of the group.

**3. The group derives a significant percentage of its revenue from sales to major customers and if it is unable to retain these customers, its results of operations, cash flow and or financial condition could be adversely affected.**

Sales to major customers are significant. The group believes that the geographical spread of its customers together with the wide range and nature of products sold reduce the potential adverse effects of the loss of business from any one customer. Nevertheless, the loss of a major customer without replacement, could have an adverse effect on the group's results, cash flow and or financial condition.

**4. Violations of environmental, health and safety and other laws, regulations and standards could restrict the group's operations, expose it to liability, increase its costs and have an adverse effect on its results of operations, cash flow and or financial condition.**

The group is subject to a broad range of laws, regulations and standards, including those relating to pollution, the health and safety of employees, protection of the public, protection of the environment and the generation, storage, handling, transportation, treatment, disposal and remediation of waste materials. In the ordinary course of business, the group is subject to inspections and monitoring by the appropriate enforcement authorities. The group also requires relevant permits for its operations, which require compliance with their terms and annual renewal. The group has established environmental, health and safety and other policies to comply with applicable laws and regulations. Nevertheless, any failure in this area could have an adverse effect on the group's results of operations, cash flow and/or financial condition.

**5. Foreign exchange**

Revenues in both US dollars and euros make up a significant part of the group's business and the group is therefore exposed to movements in these exchange rates against sterling. This risk is partly mitigated by the fact that purchases are made in both US dollars and euros together with the placing of forward exchange contracts. The group maintains bank accounts in these currencies in order to manage this risk.

# **Sensitisers Group Ltd**

## **Strategic Report** *(continued)*

**Year ended 31 March 2023**

### **6. Economic uncertainty**

The current economic conditions still create a significant element of uncertainty over demand for some of the group's products. The group's forecasts and projections show that the company is expected to have a sufficient level of financial resources available through cash resources and current banking facilities. The directors therefore believe that the company is well placed to manage its business risks successfully despite the economic uncertainty.

### **Future developments**

The directors remain confident that the group will maintain a satisfactory level of performance in the future, with a strong and continued focus on the development of new and innovative materials, production flexibility, product quality and customer service. The significant potential opportunities in both sales and research and development will support the group's diversification strategy to explore opportunities in new markets. Investment has been made in solar energy to both help the environment and to offset further energy price increases. Sustainability and the need to be carbon balanced as a manufacturer is one of the group's key strategies.

The group will continue to invest to further reduce operating costs including energy reduction initiatives. The write off and removal of the coating machine will allow the possible relocation of some manufacturing operations or the investment in new equipment linked to identified new markets and products.

This report was approved by the board of directors on 17 November 2023 and signed on behalf of the board by:



P M Bartlett  
Director

# **Sensitisers Group Ltd**

## **Directors' Report**

**Year ended 31 March 2023**

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

### **Directors**

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

|              |                       |
|--------------|-----------------------|
| P A Newell   | (Resigned 9 May 2023) |
| P M Bartlett |                       |
| B Colak      |                       |

### **Dividends**

The directors do not recommend the payment of a dividend.

### **Research and development**

The group is committed to maintaining a high level of investment into research and development, to continue the development of new and innovative materials and to maintain a competitive position in the market.

### **Health and safety and the environment**

The group places great emphasis on health and safety and is determined by way of continued investment, employee involvement and training to maintain its good health and safety record.

The group recognises the importance of its environmental responsibilities and continues to develop materials with reduced environmental impact. Initiatives designed to improve the group's impact on the environment include energy use improvement and efficiency and the recycling and the reduction of waste. The group mitigates its carbon footprint by financing the planting and lifetime care of trees in the South West of England with the Woodland Trust.

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

In preparing these financial statements, the directors are required to:

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

# Sensitisers Group Ltd

## Directors' Report *(continued)*

**Year ended 31 March 2023**

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 group and 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 group and the company's auditor is aware of that information.

The auditor 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 17 November 2023 and signed on behalf of the board by:



P M Bartlett  
Director



# **Sensitisers Group Ltd**

## **Independent Auditor's Report to the Members of Sensitisers Group Ltd**

**Year ended 31 March 2023**

### **Opinion**

We have audited the financial statements of Sensitisers Group Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows 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 group's and of the parent company's affairs as at 31 March 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

# **Sensitisers Group Ltd**

## **Independent Auditor's Report to the Members of Sensitisers Group Ltd *(continued)***

**Year ended 31 March 2023**

### **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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

# **Sensitisers Group Ltd**

## **Independent Auditor's Report to the Members of Sensitisers Group Ltd (continued)**

**Year ended 31 March 2023**

### **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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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:

As part of our audit work, we obtained an understanding of the legal and regulatory frameworks applicable to the group and the sector in which they operate. We determined that the laws and regulations most significant to the group, as well as the laws and regulations that have a direct impact on the preparation of the financial statements are: the Companies Act 2006.

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Discussion with management as to how compliance with these laws and regulations is monitored;
- Review of the disclosures in the financial statements and testing to supporting documentation;
- Enquiries of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of directors' meetings and correspondence with regulators;
- Performing audit work in connection with the risk of management override of controls, including testing journal entries for reasonableness and evaluating the business rationale of significant transactions outside the normal course of business.

We also communicate relevant identified laws and regulations and potential fraud risk to all engagement team members and remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

# **Sensitisers Group Ltd**

## **Independent Auditor's Report to the Members of Sensitisers Group Ltd (continued)**

### **Year ended 31 March 2023**

Our audit approach also considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud being in respect of cut off and completion risk around revenue recognition. Under ISA (UK) we are also required to undertake procedures to respond to the risk management override controls. Other procedures included the following:

- Performing cut off testing;
- Auditing the risk of management override of controls, including though testing journal entries and other adjustments for appropriateness, and evaluating the business rationale for significant transactions outside the normal course of business;
- Reviewing estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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

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

RRL LLP

Josh Stevens ACA (Senior Statutory Auditor)

For and on behalf of  
RRL LLP  
Chartered accountants & statutory auditor  
Peat House  
Newham Road  
Truro  
Cornwall  
TR1 2DP

17 November 2023

**Sensitisers Group Ltd**  
**Consolidated Statement of Comprehensive Income**  
**Year ended 31 March 2023**

|                                                                            | Note     | 2023<br>£                 | 2022<br>£           |
|----------------------------------------------------------------------------|----------|---------------------------|---------------------|
| <b>Turnover</b>                                                            | <b>4</b> | <b>15,614,564</b>         | 15,753,603          |
| Cost of sales                                                              |          | <u>(12,589,124)</u>       | <u>(12,275,434)</u> |
| <b>Gross profit</b>                                                        |          | <b>3,025,440</b>          | 3,478,169           |
| Administrative expenses                                                    |          | <u>(3,139,367)</u>        | (3,111,301)         |
| Other operating income                                                     | 5        | —                         | 94,036              |
| Exceptional items                                                          | 6        | <u>(1,637,185)</u>        | —                   |
| <b>Operating (loss)/profit</b>                                             | <b>7</b> | <b>(1,751,112)</b>        | 460,904             |
| Other interest receivable and similar income                               | 11       | 153                       | 59                  |
| Interest payable and similar expenses                                      | 12       | <u>(13,767)</u>           | <u>(15,160)</u>     |
| <b>(Loss)/profit before taxation</b>                                       |          | <b>(1,764,726)</b>        | 445,803             |
| Tax on (loss)/profit                                                       | 13       | <u>(58,316)</u>           | <u>(93,554)</u>     |
| <b>(Loss)/profit for the financial year and total comprehensive income</b> |          | <b><u>(1,823,042)</u></b> | <u>352,249</u>      |

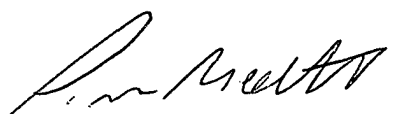
All the activities of the group are from continuing operations.

The notes on pages 17 to 31 form part of these financial statements.

**Sensitisers Group Ltd**  
**Consolidated Statement of Financial Position**  
**31 March 2023**

|                                                                | Note | 2023<br>£               | 2022<br>£                |
|----------------------------------------------------------------|------|-------------------------|--------------------------|
| <b>Fixed assets</b>                                            |      |                         |                          |
| Tangible assets                                                | 14   | 4,886,435               | 6,314,944                |
| <b>Current assets</b>                                          |      |                         |                          |
| Stocks                                                         | 16   | 5,174,022               | 5,390,896                |
| Debtors                                                        | 17   | 3,109,307               | 3,556,592                |
| Cash at bank and in hand                                       |      | 161,788                 | 241,656                  |
|                                                                |      | <u>8,445,117</u>        | <u>9,189,144</u>         |
| <b>Creditors: amounts falling due within one year</b>          | 19   | <u>3,403,369</u>        | <u>3,516,878</u>         |
| <b>Net current assets</b>                                      |      | <u>5,041,748</u>        | <u>5,672,266</u>         |
| <b>Total assets less current liabilities</b>                   |      | <u>9,928,183</u>        | <u>11,987,210</u>        |
| <b>Creditors: amounts falling due after more than one year</b> | 20   | 394,540                 | 543,759                  |
| <b>Provisions</b>                                              |      |                         |                          |
| Taxation including deferred tax                                | 21   | <u>96,000</u>           | <u>96,000</u>            |
| <b>Net assets</b>                                              |      | <u><u>9,437,643</u></u> | <u><u>11,347,451</u></u> |
| <b>Capital and reserves</b>                                    |      |                         |                          |
| Called up share capital                                        | 26   | 413                     | 420                      |
| Revaluation reserve                                            | 27   | 1,709,218               | 1,709,218                |
| Capital redemption reserve                                     | 27   | 547                     | 540                      |
| Profit and loss account                                        | 27   | <u>7,727,465</u>        | <u>9,637,273</u>         |
| <b>Shareholders funds</b>                                      |      | <u><u>9,437,643</u></u> | <u><u>11,347,451</u></u> |

These financial statements were approved by the board of directors and authorised for issue on 17 November 2023, and are signed on behalf of the board by:



P M Bartlett  
Director

Company registration number: 03513777


The notes on pages 17 to 31 form part of these financial statements.

**Sensitisers Group Ltd**  
**Company Statement of Financial Position**  
**31 March 2023**

|                                                       | Note | 2023<br>£        | 2022<br>£        |
|-------------------------------------------------------|------|------------------|------------------|
| <b>Fixed assets</b>                                   |      |                  |                  |
| Investments                                           | 15   | 3,510,465        | 3,510,465        |
| <b>Current assets</b>                                 |      |                  |                  |
| Debtors                                               | 17   | 1,262,800        | 1,199,163        |
| Cash at bank and in hand                              |      | 301              | 362              |
|                                                       |      | <u>1,263,101</u> | <u>1,199,525</u> |
| <b>Creditors: amounts falling due within one year</b> | 19   | <u>125,599</u>   | <u>7,610</u>     |
| <b>Net current assets</b>                             |      | <u>1,137,502</u> | <u>1,191,915</u> |
| <b>Total assets less current liabilities</b>          |      | <u>4,647,967</u> | <u>4,702,380</u> |
| <b>Capital and reserves</b>                           |      |                  |                  |
| Called up share capital                               | 26   | 413              | 420              |
| Capital redemption reserve                            | 27   | 547              | 540              |
| Profit and loss account                               | 27   | <u>4,647,007</u> | <u>4,701,420</u> |
| <b>Shareholders funds</b>                             |      | <u>4,647,967</u> | <u>4,702,380</u> |

The profit for the financial year of the parent company was £32,353 (2022: £192,443).

These financial statements were approved by the board of directors and authorised for issue on 17 November 2023, and are signed on behalf of the board by:



P M Bartlett  
Director

Company registration number: 03513777

The notes on pages 17 to 31 form part of these financial statements.

# Sensitisers Group Ltd

## Consolidated Statement of Changes in Equity

Year ended 31 March 2023

|                                                         | Called up<br>share capital<br>£ | Revaluation<br>reserve<br>£ | Capital<br>redemption<br>reserve<br>£ | Profit and<br>loss account<br>£ | Total<br>£       |
|---------------------------------------------------------|---------------------------------|-----------------------------|---------------------------------------|---------------------------------|------------------|
| <b>At 1 April 2021</b>                                  | 420                             | 1,709,218                   | 540                                   | 9,285,024                       | 10,995,202       |
| Profit for the year                                     | —                               | —                           | —                                     | 352,249                         | 352,249          |
| <b>Total comprehensive income for the year</b>          | —                               | —                           | —                                     | 352,249                         | 352,249          |
| <b>At 31 March 2022</b>                                 | 420                             | 1,709,218                   | 540                                   | 9,637,273                       | 11,347,451       |
| Loss for the year                                       | —                               | —                           | —                                     | (1,823,042)                     | (1,823,042)      |
| <b>Total comprehensive income for the year</b>          | —                               | —                           | —                                     | (1,823,042)                     | (1,823,042)      |
| Cancellation of subscribed capital                      | (7)                             | —                           | 7                                     | (86,766)                        | (86,766)         |
| <b>Total investments by and distributions to owners</b> | (7)                             | —                           | 7                                     | (86,766)                        | (86,766)         |
| <b>At 31 March 2023</b>                                 | <u>413</u>                      | <u>1,709,218</u>            | <u>547</u>                            | <u>7,727,465</u>                | <u>9,437,643</u> |

On 10 May 2022 the company purchased from a director 7 ordinary shares at a price including costs of £86,766. The nominal value of the 7 shares cancelled has been transferred to the capital redemption reserve. The cost of the purchase has been charged to profit and loss account reserve.

The notes on pages 17 to 31 form part of these financial statements.



**Sensitisers Group Ltd**  
**Company Statement of Changes in Equity**  
**Year ended 31 March 2023**

|                                                         | Called up<br>share capital<br>£ | Capital<br>redemption<br>reserve<br>£ | Profit and<br>loss account<br>£ | <b>Total<br/>£</b>      |
|---------------------------------------------------------|---------------------------------|---------------------------------------|---------------------------------|-------------------------|
| <b>At 1 April 2021</b>                                  | 420                             | 540                                   | 4,508,977                       | 4,509,937               |
| Profit for the year                                     | —                               | —                                     | 192,443                         | 192,443                 |
| <b>Total comprehensive income for the year</b>          | —                               | —                                     | 192,443                         | 192,443                 |
| <b>At 31 March 2022</b>                                 | 420                             | 540                                   | 4,701,420                       | <b>4,702,380</b>        |
| Profit for the year                                     | —                               | —                                     | 32,353                          | <b>32,353</b>           |
| <b>Total comprehensive income for the year</b>          | —                               | —                                     | 32,353                          | <b>32,353</b>           |
| Cancellation of subscribed capital                      | (7)                             | 7                                     | (86,766)                        | <b>(86,766)</b>         |
| <b>Total investments by and distributions to owners</b> | (7)                             | 7                                     | (86,766)                        | <b>(86,766)</b>         |
| <b>At 31 March 2023</b>                                 | <u>413</u>                      | <u>547</u>                            | <u>4,647,007</u>                | <u><b>4,647,967</b></u> |

On 10 May 2022 the company purchased from a director 7 ordinary shares at a price including costs of £86,766. The nominal value of the 7 shares cancelled has been transferred to the capital redemption reserve. The cost of the purchase has been charged to profit and loss account reserve.

The notes on pages 17 to 31 form part of these financial statements.

**Sensitisers Group Ltd**  
**Consolidated Statement of Cash Flows**  
**Year ended 31 March 2023**

|                                                          | Note      | 2023<br>£            | 2022<br>£             |
|----------------------------------------------------------|-----------|----------------------|-----------------------|
| <b>Cash flows from operating activities</b>              |           |                      |                       |
| (Loss)/profit for the financial year                     |           | (1,823,042)          | 352,249               |
| <i>Adjustments for:</i>                                  |           |                      |                       |
| Depreciation of tangible assets                          |           | 200,114              | 173,169               |
| Government grant income                                  |           | —                    | (6,625)               |
| Other interest receivable and similar income             |           | (153)                | (59)                  |
| Interest payable and similar expenses                    |           | 13,767               | 15,160                |
| Loss on disposal of tangible assets                      |           | 1,637,498            | 13,110                |
| Tax on profit                                            |           | 58,316               | 93,554                |
| Accrued income                                           |           | —                    | (6,625)               |
| Change in value of foreign exchange contract derivatives |           | (8,393)              | 136,202               |
| <i>Changes in:</i>                                       |           |                      |                       |
| Stocks                                                   |           | 216,874              | (324,838)             |
| Trade and other debtors                                  |           | 447,285              | (630,840)             |
| Trade and other creditors                                |           | (380,620)            | (357,757)             |
| Cash generated from operations                           |           | <u>361,646</u>       | <u>(543,300)</u>      |
| Interest paid                                            |           | (13,767)             | (15,160)              |
| Interest received                                        |           | 153                  | 59                    |
| Tax paid                                                 |           | (58,316)             | (93,554)              |
| Net cash from/(used in) operating activities             |           | <u>289,716</u>       | <u>(651,955)</u>      |
| <b>Cash flows from investing activities</b>              |           |                      |                       |
| Purchase of tangible assets                              |           | (418,172)            | (348,991)             |
| Proceeds from sale of tangible assets                    |           | 9,069                | 2,376                 |
| Net cash used in investing activities                    |           | <u>(409,103)</u>     | <u>(346,615)</u>      |
| <b>Cash flows from financing activities</b>              |           |                      |                       |
| Purchase of own shares                                   |           | (86,766)             | —                     |
| Proceeds from borrowings                                 |           | 157,353              | 666,195               |
| Repayments of borrowings                                 |           | (159,600)            | (148,600)             |
| Government grant income                                  |           | —                    | 6,625                 |
| Net cash (used in)/from financing activities             |           | <u>(89,013)</u>      | <u>524,220</u>        |
| <b>Net decrease in cash and cash equivalents</b>         |           | <b>(208,400)</b>     | <b>(474,350)</b>      |
| <b>Cash and cash equivalents at beginning of year</b>    |           | <b>241,656</b>       | <b>716,006</b>        |
| <b>Cash and cash equivalents at end of year</b>          | <b>18</b> | <u><b>33,256</b></u> | <u><b>241,656</b></u> |

The notes on pages 17 to 31 form part of these financial statements.

**Sensitisers Group Ltd**  
**Notes to the Financial Statements**  
**Year ended 31 March 2023**

**1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Kernick Road, Penryn, Cornwall, TR10 9DQ.

**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 on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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

**Research and development**

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

**Disclosure exemptions**

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

(a) No cash flow statement has been presented for the company.

**Consolidation**

The financial statements consolidate the financial statements of Sensitisers Group Ltd and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

# Sensitisers Group Ltd

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2023

#### 3. Accounting policies *(continued)*

##### **Judgements and key sources of estimation uncertainty**

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

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

The properties were valued by the directors at 31 March 2023, the last formal valuation was undertaken in April 2021. Whilst there is an element of estimation uncertainty, the directors believe the valuations to be fair and reasonable. Formal valuations will continue to be undertaken on a five year rolling basis.

##### **Revenue recognition**

Turnover represents revenue recognised in the financial statements. Revenue is recognised when the company fulfils its contractual obligations to customers by supplying goods and services and excludes value added tax.

##### **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**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the average exchange rates for the year. Exchange differences are taken into account in arriving at the operating profit.

# Sensitisers Group Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

### 3. Accounting policies *(continued)*

#### 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.

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

#### 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:

|                       |                        |
|-----------------------|------------------------|
| Computer equipment    | - 25% straight line    |
| Plant and machinery   | - 15% reducing balance |
| Fixtures and fittings | - 15% reducing balance |
| Motor vehicles        | - 25% reducing balance |

Freehold property includes land which is not subject to depreciation. Leasehold additions are depreciated at a rate of 15% per annum on a reducing balance basis.

#### Investments

Investments in subsidiary and associated companies are accounted for at cost less any accumulated impairment losses. Impairment losses are recognised in other comprehensive income/profit or loss.

# **Sensitisers Group Ltd**

## **Notes to the Financial Statements (continued)**

**Year ended 31 March 2023**

### **3. Accounting policies (continued)**

#### **Investments in associates**

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses. Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted. Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

#### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

#### **Government grants**

Government grants are recognised at fair value when there is reasonable assurance that they will be received. Grants related to expenditure on tangible fixed assets are treated as deferred income and are credited to profit over a period approximating to the useful lives of those assets. The grants shown in the balance sheet consist of the total grants receivable to date less the amount so far credited to profit.

#### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# Sensitisers Group Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

### 3. Accounting policies *(continued)*

#### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

### 4. Turnover

Turnover arises from:

|               | 2023<br>£         | 2022<br>£         |
|---------------|-------------------|-------------------|
| Sale of goods | <u>15,614,564</u> | <u>15,753,603</u> |

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

|                | 2023<br>£         | 2022<br>£         |
|----------------|-------------------|-------------------|
| United Kingdom | 4,443,016         | 4,212,265         |
| Overseas       | <u>11,171,548</u> | <u>11,541,338</u> |
|                | <u>15,614,564</u> | <u>15,753,603</u> |

### 5. Other operating income

|                                  | 2023<br>£ | 2022<br>£     |
|----------------------------------|-----------|---------------|
| Government grant income          | –         | 6,625         |
| Coronavirus job retention scheme | –         | 15,506        |
| Other operating income           | –         | 71,905        |
|                                  | <u>–</u>  | <u>94,036</u> |

Other operating income comprises of a Federal loan received by Kernow North America Inc under the Small Business Administration (SBA) Paycheck Protection Program (PPP) which was formally forgiven on 18 May 2021.

### 6. Exceptional items

During the year the group disposed of a coating machine and recognised a loss on disposal of £1,637,185. This machine was not completed as a result of the significant additional cost to bring it into production and after receiving a negative report from independent experts concerning significant design flaws affecting the viability of the machine, at which point the Directors made the decision to end the project.

# Sensitisers Group Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

### 7. Operating profit

Operating profit or loss is stated after charging/crediting:

|                                                  | 2023             | 2022            |
|--------------------------------------------------|------------------|-----------------|
|                                                  | £                | £               |
| Depreciation of tangible assets                  | 200,114          | 173,169         |
| Loss on disposal of tangible assets              | 313              | 13,110          |
| Impairment of trade debtors                      | (2,490)          | 3,391           |
| Research and development expenditure written off | 229,053          | 198,158         |
| Operating lease rentals                          | 16,870           | –               |
| Foreign exchange differences                     | <u>(148,599)</u> | <u>(90,368)</u> |

### 8. Auditor's remuneration

|                                                                              | 2023          | 2022          |
|------------------------------------------------------------------------------|---------------|---------------|
|                                                                              | £             | £             |
| Fees payable for the audit of the financial statements                       | <u>18,150</u> | <u>15,750</u> |
| Fees payable to the company's auditor and its associates for other services: |               |               |
| Taxation advisory services                                                   | 2,150         | 2,050         |
| Other non-audit services                                                     | 650           | 225           |
|                                                                              | <u>2,800</u>  | <u>2,275</u>  |

### 9. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

|                      | 2023      | 2022      |
|----------------------|-----------|-----------|
|                      | No.       | No.       |
| Production staff     | 60        | 62        |
| Administrative staff | 23        | 23        |
|                      | <u>83</u> | <u>85</u> |

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

|                       | 2023             | 2022             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 3,170,587        | 3,156,538        |
| Social security costs | 354,859          | 300,296          |
| Other pension costs   | 210,217          | 204,868          |
|                       | <u>3,735,663</u> | <u>3,661,702</u> |

### 10. Directors' remuneration

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

|                                                             | 2023           | 2022           |
|-------------------------------------------------------------|----------------|----------------|
|                                                             | £              | £              |
| Remuneration                                                | 390,354        | 434,312        |
| Company contributions to defined contribution pension plans | 24,844         | 27,769         |
|                                                             | <u>415,198</u> | <u>462,081</u> |



**Sensitisers Group Ltd**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 March 2023**

**10. Directors' remuneration** *(continued)*

The number of directors who accrued benefits under company pension plans was as follows:

|                            | <b>2023</b> | 2022     |
|----------------------------|-------------|----------|
|                            | <b>No.</b>  | No.      |
| Defined contribution plans | <u>5</u>    | <u>3</u> |

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

|                        | <b>2023</b>           | 2022                  |
|------------------------|-----------------------|-----------------------|
|                        | <b>£</b>              | £                     |
| Aggregate remuneration | <u><b>220,057</b></u> | <u><b>247,311</b></u> |

**11. Other interest receivable and similar income**

|                                       | <b>2023</b>       | 2022             |
|---------------------------------------|-------------------|------------------|
|                                       | <b>£</b>          | £                |
| Interest on cash and cash equivalents | <u><b>153</b></u> | <u><b>59</b></u> |

**12. Interest payable and similar expenses**

|                                        | <b>2023</b>          | 2022                 |
|----------------------------------------|----------------------|----------------------|
|                                        | <b>£</b>             | £                    |
| Interest on banks loans and overdrafts | <u><b>13,767</b></u> | <u><b>15,160</b></u> |

**13. Tax on profit**

**Major components of tax expense**

|                                         | <b>2023</b>           | 2022                  |
|-----------------------------------------|-----------------------|-----------------------|
|                                         | <b>£</b>              | £                     |
| <b>Current tax:</b>                     |                       |                       |
| UK current tax income                   | <b>(41,800)</b>       | <b>(37,300)</b>       |
| Adjustments in respect of prior periods | <u><b>—</b></u>       | <u><b>(25)</b></u>    |
| Total UK current tax                    | <b>(41,800)</b>       | <b>(37,325)</b>       |
| Foreign current tax                     | <u><b>100,116</b></u> | <u><b>130,879</b></u> |
| Total current tax                       | <u><b>58,316</b></u>  | <u><b>93,554</b></u>  |
| <b>Tax on profit</b>                    | <u><b>58,316</b></u>  | <u><b>93,554</b></u>  |

Unrelieved corporation tax losses to be carried forward amount to £4,879,559 (2022 £3,759,592).

# Sensitisers Group Ltd

## Notes to the Financial Statements (continued)

### Year ended 31 March 2023

#### 13. Tax on profit (continued)

##### Reconciliation of tax expense

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

|                                                          | 2023<br>£     | 2022<br>£     |
|----------------------------------------------------------|---------------|---------------|
| (Loss)/profit on ordinary activities before taxation     | (1,764,726)   | 445,803       |
| (Loss)/profit on ordinary activities by rate of tax      | (335,298)     | 84,703        |
| Adjustment to tax charge in respect of prior periods     | –             | (25)          |
| Effect of expenses not deductible for tax purposes       | (126,558)     | (104,868)     |
| Effect of capital allowances and depreciation            | 240,208       | (46,218)      |
| Utilisation of tax losses                                | (14,671)      | –             |
| Unused tax losses                                        | 237,914       | 40,505        |
| R & D tax credit/research allowance                      | (41,800)      | (37,300)      |
| Foreign tax                                              | 100,116       | 130,879       |
| Change in value of foreign exchange contract derivatives | (1,595)       | 25,878        |
| Tax on profit                                            | <u>58,316</u> | <u>93,554</u> |

#### 14. Tangible assets

| Group                  | Freehold property<br>£ | Computer equipment<br>£ | Plant and machinery<br>£ | Fixtures and fittings<br>£ | Motor vehicles<br>£ | Total<br>£       |
|------------------------|------------------------|-------------------------|--------------------------|----------------------------|---------------------|------------------|
| <b>Cost</b>            |                        |                         |                          |                            |                     |                  |
| At 1 Apr 2022          | 3,635,000              | 169,492                 | 5,476,851                | 92,949                     | 172,943             | 9,547,235        |
| Additions              | –                      | 16,685                  | 399,817                  | 1,670                      | –                   | 418,172          |
| Disposals              | –                      | (4,509)                 | (1,637,185)              | –                          | (77,276)            | (1,718,970)      |
| <b>At 31 Mar 2023</b>  | <u>3,635,000</u>       | <u>181,668</u>          | <u>4,239,483</u>         | <u>94,619</u>              | <u>95,667</u>       | <u>8,246,437</u> |
| <b>Depreciation</b>    |                        |                         |                          |                            |                     |                  |
| At 1 Apr 2022          | –                      | 152,856                 | 2,860,306                | 69,198                     | 149,931             | 3,232,291        |
| Charge for the year    | –                      | 12,208                  | 180,509                  | 3,850                      | 3,547               | 200,114          |
| Disposals              | –                      | (3,951)                 | –                        | –                          | (68,452)            | (72,403)         |
| <b>At 31 Mar 2023</b>  | <u>–</u>               | <u>161,113</u>          | <u>3,040,815</u>         | <u>73,048</u>              | <u>85,026</u>       | <u>3,360,002</u> |
| <b>Carrying amount</b> |                        |                         |                          |                            |                     |                  |
| <b>At 31 Mar 2023</b>  | <u>3,635,000</u>       | <u>20,555</u>           | <u>1,198,668</u>         | <u>21,571</u>              | <u>10,641</u>       | <u>4,886,435</u> |
| At 31 Mar 2022         | <u>3,635,000</u>       | <u>16,636</u>           | <u>2,616,545</u>         | <u>23,751</u>              | <u>23,012</u>       | <u>6,314,944</u> |

The company has no tangible assets.

# Sensitisers Group Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

### 14. Tangible assets *(continued)*

The properties were valued by the directors at 31 March 2023. The properties were professionally valued in April 2021 on an open market basis by an independent valuer holding a recognised and relevant qualification and having recent experience in similar properties. The properties had an original carrying value of £1,829,782 (2022 £1,829,782). Tax of £96,000 (2022 £96,000) would be payable on the sale of the properties based on their carrying value in the financial statements. This amount has been provided for and is shown in note 21 below. Freehold property includes leasehold additions which have a net book value of £127,947 (2022 £127,947). Freehold property includes land with a cost of £162,609 (2022 £162,609) which is not subject to depreciation. Plant and machinery includes the write off of a coating machine of £1.637m which was not completed as a result of the significant additional estimated cost to bring into production.

### 15. Investments

The group has no investments.

| Company                           | Shares in group and associated companies<br>£ |
|-----------------------------------|-----------------------------------------------|
| <b>Cost</b>                       |                                               |
| At 1 April 2022 and 31 March 2023 | <u>3,510,465</u>                              |
| <b>Impairment</b>                 |                                               |
| At 1 April 2022 and 31 March 2023 | <u>—</u>                                      |
| <b>Carrying amount</b>            |                                               |
| At 1 April 2022 and 31 March 2023 | <u>3,510,465</u>                              |
| At 31 March 2022                  | <u>3,510,465</u>                              |

Details of subsidiary and associated companies are disclosed in note 32 to the accounts.

### 16. Stocks

|                                     | Group            |                  | Company  |          |
|-------------------------------------|------------------|------------------|----------|----------|
|                                     | 2023             | 2022             | 2023     | 2022     |
|                                     | £                | £                | £        | £        |
| Raw materials and consumables       | 2,485,448        | 2,816,653        | —        | —        |
| Work in progress                    | 143,924          | 89,163           | —        | —        |
| Finished goods and goods for resale | 2,544,650        | 2,485,080        | —        | —        |
|                                     | <u>5,174,022</u> | <u>5,390,896</u> | <u>—</u> | <u>—</u> |

# Sensitisers Group Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

### 17. Debtors

|                                    | Group            |                  | Company          |                  |
|------------------------------------|------------------|------------------|------------------|------------------|
|                                    | 2023             | 2022             | 2023             | 2022             |
|                                    | £                | £                | £                | £                |
| Trade debtors                      | 2,524,773        | 2,983,463        | –                | –                |
| Amounts owed by group undertakings | –                | –                | 1,262,800        | 1,199,163        |
| Corporation tax repayable          | 77,512           | 37,300           | –                | –                |
| Other debtors                      | 507,022          | 535,829          | –                | –                |
|                                    | <u>3,109,307</u> | <u>3,556,592</u> | <u>1,262,800</u> | <u>1,199,163</u> |

The above includes unsecured loans to other group companies of £1,262,800 (2022 £1,190,000) which are repayable on demand. Interest is payable on the loans calculated by reference to the base rate of National Westminster Bank Plc.

### 18. Cash and cash equivalents

Cash and cash equivalents comprise the following:

|                          | 2023          | 2022           |
|--------------------------|---------------|----------------|
|                          | £             | £              |
| Cash at bank and in hand | 161,788       | 241,656        |
| Bank overdrafts          | (128,532)     | –              |
|                          | <u>33,256</u> | <u>241,656</u> |

### 19. Creditors: amounts falling due within one year

|                                    | Group            |                  | Company        |              |
|------------------------------------|------------------|------------------|----------------|--------------|
|                                    | 2023             | 2022             | 2023           | 2022         |
|                                    | £                | £                | £              | £            |
| Bank loans and overdrafts          | 1,702,607        | 1,427,103        | –              | –            |
| Trade creditors                    | 1,001,200        | 1,326,983        | –              | –            |
| Amounts owed to group undertakings | –                | –                | 125,599        | 7,610        |
| Accruals and deferred income       | 251,397          | 251,397          | –              | –            |
| Social security and other taxes    | 68,289           | 63,926           | –              | –            |
| Derivative financial liability     | 61,852           | 70,245           | –              | –            |
| Other creditors                    | 318,024          | 377,224          | –              | –            |
|                                    | <u>3,403,369</u> | <u>3,516,878</u> | <u>125,599</u> | <u>7,610</u> |

# Sensitisers Group Ltd

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2023

#### 19. Creditors: amounts falling due within one year *(continued)*

Bank loans and overdrafts include an amount of £1,421,223 (2022 £1,278,503) which relate to an invoice financing facility provided by National Westminster Bank Plc secured by a debenture over the assets of the company. A cross guarantee and debenture has been executed by Sensitisers Group Ltd in relation to the liabilities owed under this facility.

A bank loan is secured against one of the company's freehold properties with a value of £580,000 (2022 £580,000) and by a debenture held over the assets of the company. The loan was advanced on 1st June 2015 and has a repayment term of ten years. The rate of interest payable on the loan is fixed at 3.92% for the entire term.

In 2021 the company secured a government backed CBILS loan of £350,000 as a result of the COVID19 pandemic. The loan is to be repaid over five years and has a 5% rate of interest for the entire term.

An overdraft facility of £350,000 (2022 £350,000) has been made available by National Westminster Bank Plc secured by a debenture over two of the company's freehold properties with a combined value of £1.855m (2022 £1.855m). Cross guarantees and debentures have been executed by both Sensitisers Group Ltd and KC Overseas Holdings Limited in relation to the liabilities owed under this facility.

Amounts owed to group undertakings includes an unsecured loan from Sensitisers Group Ltd of £1,262,800 (2022 £1,099,300) which is repayable on demand. Interest is payable on the loan calculated by reference to the base rate of National Westminster Bank Plc.

The accruals and deferred income comprises of deferred government grants receivable to date less the amounts so far credited to profit.

#### 20. Creditors: amounts falling due after more than one year

|                           | Group          |                | Company  |          |
|---------------------------|----------------|----------------|----------|----------|
|                           | 2023           | 2022           | 2023     | 2022     |
|                           | £              | £              | £        | £        |
| Bank loans and overdrafts | <u>394,540</u> | <u>543,759</u> | <u>-</u> | <u>-</u> |

The bank loan is secured against one of the group's freehold properties with a value of £580,000 (2022 £580,000) and by a debenture held over the assets of a wholly owned subsidiary company. The loan was advanced on 1st June 2015 and has a repayment term of ten years. The rate of interest payable on the loan is fixed at 3.92% for the entire term.

#### 21. Provisions

| Group                             | Deferred tax<br>(note 22)<br>£ |
|-----------------------------------|--------------------------------|
| At 1 April 2022 and 31 March 2023 | <u>96,000</u>                  |

The company does not have any provisions.

**Sensitisers Group Ltd**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 March 2023**

**22. Deferred tax**

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

|                                  | <b>Group</b>  |               | <b>Company</b> |             |
|----------------------------------|---------------|---------------|----------------|-------------|
|                                  | <b>2023</b>   | <b>2022</b>   | <b>2023</b>    | <b>2022</b> |
|                                  | <b>£</b>      | <b>£</b>      | <b>£</b>       | <b>£</b>    |
| Included in provisions (note 21) | <u>96,000</u> | <u>96,000</u> | <u>-</u>       | <u>-</u>    |

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

|                                              | <b>Group</b>     |                  | <b>Company</b> |             |
|----------------------------------------------|------------------|------------------|----------------|-------------|
|                                              | <b>2023</b>      | <b>2022</b>      | <b>2023</b>    | <b>2022</b> |
|                                              | <b>£</b>         | <b>£</b>         | <b>£</b>       | <b>£</b>    |
| Accelerated capital allowances               | 185,000          | 440,000          | -              | -           |
| Revaluation of tangible assets               | 31,000           | 96,000           | -              | -           |
| Fair value adjustment of investment property | 65,000           | -                | -              | -           |
| Unused tax losses                            | <u>(185,000)</u> | <u>(440,000)</u> | <u>-</u>       | <u>-</u>    |
|                                              | <u>96,000</u>    | <u>96,000</u>    | <u>-</u>       | <u>-</u>    |

The amount of the net reversal of deferred tax assets and liabilities expected to occur during the year beginning after the reporting period is estimated to be £Nil (2022 £Nil).

**23. Employee benefits**

**Defined contribution plans**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £210,217 (2022: £204,868).

The group operates a defined contribution group personal pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees independent from those of the group. There were no outstanding contributions at the balance sheet date.

**24. Government grants**

The amounts recognised in the financial statements for government grants are as follows:

|                                                 | <b>Group</b> |              | <b>Company</b> |             |
|-------------------------------------------------|--------------|--------------|----------------|-------------|
|                                                 | <b>2023</b>  | <b>2022</b>  | <b>2023</b>    | <b>2022</b> |
|                                                 | <b>£</b>     | <b>£</b>     | <b>£</b>       | <b>£</b>    |
| Recognised in other operating income:           |              |              |                |             |
| Government grants recognised directly in income | <u>-</u>     | <u>6,625</u> | <u>-</u>       | <u>-</u>    |

**25. Financial instruments**

The carrying amount for each category of financial instrument is as follows:

**Financial assets measured at fair value through profit or loss**

|                                                                | <b>Group</b> |             | <b>Company</b> |             |
|----------------------------------------------------------------|--------------|-------------|----------------|-------------|
|                                                                | <b>2023</b>  | <b>2022</b> | <b>2023</b>    | <b>2022</b> |
|                                                                | <b>£</b>     | <b>£</b>    | <b>£</b>       | <b>£</b>    |
| Financial assets measured at fair value through profit or loss | <u>8,393</u> | <u>-</u>    | <u>-</u>       | <u>-</u>    |

# Sensitisers Group Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

### 25. Financial instruments *(continued)*

#### Financial liabilities measured at fair value through profit or loss

|                                                                     | Group    |                | Company  |          |
|---------------------------------------------------------------------|----------|----------------|----------|----------|
|                                                                     | 2023     | 2022           | 2023     | 2022     |
|                                                                     | £        | £              | £        | £        |
| Financial liabilities measured at fair value through profit or loss | <u>—</u> | <u>136,202</u> | <u>—</u> | <u>—</u> |

The financial instruments comprise of derivatives which are included at fair value in the balance sheet and through profit or loss. The derivatives comprise of forward exchange contracts which are used by the group to hedge its exposure to movements in foreign currency exchange rates. The principal sums and values in sterling at the contracted rates at the balance sheet date were as follows:

US dollars

Principal \$2,250,000 (2022 \$3,050,000)

At contract exchange rates £1,785,924 (2022 £2,228,221)

Euros

Principal €1,350,000 (2022 €1,300,000)

At contract exchange rates £1,205,639 (2022 £1,109,571)

The fair value of the derivatives are disclosed as a current liability in note 18 of £61,852 (2022 £70,245) has been determined by comparing the contract exchange rates to the forward exchange rates that were available at the balance sheet date for the relevant settlement dates.

### 26. Called up share capital

#### Issued, called up and fully paid

|                            | 2023       |            | 2022       |            |
|----------------------------|------------|------------|------------|------------|
|                            | No.        | £          | No.        | £          |
| Ordinary shares of £1 each | <u>413</u> | <u>413</u> | <u>420</u> | <u>420</u> |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

# Sensitisers Group Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

### 27. Reserves

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

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

Other reserve - This reserve records fair value movements on the investment property recognised in the profit and loss account.

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

### 28. Analysis of changes in net debt

|                          | At 1 Apr 2022      | Cash flows       | At 31 Mar 2023     |
|--------------------------|--------------------|------------------|--------------------|
|                          | £                  | £                | £                  |
| Cash at bank and in hand | 241,656            | (79,868)         | 161,788            |
| Bank overdrafts          | —                  | (128,532)        | (128,532)          |
| Debt due within one year | (1,427,103)        | (146,972)        | (1,574,075)        |
| Debt due after one year  | (543,759)          | 149,219          | (394,540)          |
|                          | <u>(1,729,206)</u> | <u>(206,153)</u> | <u>(1,935,359)</u> |

### 29. Capital commitments

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

|                 | Group         |          | Company  |          |
|-----------------|---------------|----------|----------|----------|
|                 | 2023          | 2022     | 2023     | 2022     |
|                 | £             | £        | £        | £        |
| Tangible assets | <u>76,140</u> | <u>—</u> | <u>—</u> | <u>—</u> |

### 30. Operating leases

#### As lessee

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

|                                              | Group         |          | Company  |          |
|----------------------------------------------|---------------|----------|----------|----------|
|                                              | 2023          | 2022     | 2023     | 2022     |
|                                              | £             | £        | £        | £        |
| Not later than 1 year                        | 16,908        | —        | —        | —        |
| Later than 1 year and not later than 5 years | <u>20,366</u> | <u>—</u> | <u>—</u> | <u>—</u> |
|                                              | <u>37,274</u> | <u>—</u> | <u>—</u> | <u>—</u> |



# **Sensitisers Group Ltd**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 March 2023**

### **31. Contingencies**

There was a contingent liability at the balance sheet date in the sum of £20,000 (2022 £20,000) in respect of a Bond to HM Revenue and Customs.

### **32. Subsidiary and associated undertakings**

The company holds either directly or indirectly 100% of the issued share capital of the companies listed below which are all incorporated in England unless otherwise stated. The registered office address of the companies incorporated in England are at the offices of Kernow Coatings Ltd, Kernick Road, Penryn, Cornwall, TR10 9DQ

Kernow Coatings Ltd - Industrial surface coating and conversion.

KC Overseas Holdings Ltd - Holding company for Kernow North America Inc.

Sensitisers (Penryn) Ltd - Property rental.

Kernow North America Inc. - Incorporated in the United States of America - wholesaler of digital imaging products. The registered office address is at 5 Park Forest Drive, Pittsford, NY 14534

The company has the following investment held indirectly in the issued share capital of the associated company listed below. The nature of business of the company, together with details of the capital and reserves at the balance sheet date and the profit or loss for the year are also disclosed. As the associated company is not included in the group accounts of the holding company, additional disclosure is made in respect of the goods and services provided and received in the normal course of business by the company together with outstanding amounts at the balance sheet date.

Appfactory BVBA. Incorporated in Belgium - web based reseller of digital imaging products - 33% held indirectly via KC Overseas Holdings Limited

Capital and Reserves £151,869 (2022 £105,839)

Profit for the year £40,803 (2022 £48,651)

Sales to £339,312 (2022 £373,576)

Purchases from £36,559 (2022 £48,910)

Amounts due to £4,841 (2022 £13,516)

Amounts due from £36,140 (2022 £95,315)

### **33. Controlling party**

The company is a private company limited by shares and incorporated in England