PRIDEN ENGINEERING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

PRIDEN ENGINEERING LIMITED

COMPANY INFORMATION

Directors	A J Ducker D B Manning (deceased 9 March 2022) D S McQueen (resigned 6 July 2021) M J Rice (resigned 28 February 2022) K Walker J Warren (resigned 23 August 2021) A Sime (appointed 7 February 2022) J G Rawlings (appointed 7 February 2022) C A Harris (appointed 16 August 2021)
Registered number	04315304
Registered office	Algores Way Wisbech Cambridgeshire PE13 2TQ
Independent auditor	Ernst & Young LLP 16 Bedford Street Belfast BT2 7DT
Bankers	Barclays Bank Plc 12 Old Market Wisbech Cambridgeshire PE13 1NN

PRIDEN ENGINEERING LIMITED

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PRIDEN ENGINEERING LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Introduction

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

Fair review of the business

Turnover for the year of £7.6m was £1.6m down on the previous year mainly due to the restrictions resulting from the COVID-19 pandemic, restricted availability of chassis on which to build due to the worldwide shortage of semi-conductors and the impact of Brexit on the Agricultural Industry. The Business recorded an operating loss of £0.9m (2020: £0.5m).

As discussed further in the Directors Report, the Company has forged closer links with its fellow group undertaking, SB Components (International) Limited, which has helped widen the range of products available to the Company and has returned it to profit at the EBITDA (Earning Before Interest, Taxation, Depreciation and Amortisation) level in the second half of the financial year ending 31 March 2022.

In addition to financial reporting, the company also manages its operations through a group wide review of strategic KPI's focussing on safety, sales, operations and production efficiencies. Of these the health and safety measurements are considered to be the most important, and the business continues to strive to ensure safe processes and practices along with leading manufacturing environments.

The directors remain confident in the business and despite the disruption caused by the COVID-19 pandemic and the impact of the global shortage of semi-conductors, expect further operational improvements in the financial year to March 2022. The business closed the period with a significant order book and programmes and continues to maintain a strong pipeline of opportunities. As a result, the business is well placed to exploit future growth opportunities which will drive top line performance in 2021/22 and beyond.

The directors are confident that the business will continue to meet all future regulatory requirements. Compliance with regulation, legal and ethical standards is a high priority for the business.

No dividends were returned to shareholders during the year.

Research & development

The company is committed to ongoing R&D activity and expects to see continued further growth as a result of the successful implementation of these projects.

Principal risks and uncertainties

COVID-19 Risk

The business performance during the year to March '21 has been heavily affected from the COVID-19 pandemic, with business volumes reduced as a result of a slow down in market, and a number of key customers reducing replacement programmes.

The business in line with the rest of the Total Vehicle Solutions Group was closed during the first national lockdown late March 2020, with operations recommencing May 2020 following the development of all appropriate safeguards, risk assessments & training plans, personal protective equipment and implementation of changed workflows and safe working distances. Staff continue to work from home where possible and full return to work will be managed in line with Government guidelines and advice.

Since return to work the business as a result of the protocols implemented during the first lockdown the business has been able to operate throughout and with minimal confirmed cases of COVID infection. All Total Vehicle Solution Group sites have been contacted by the HSE at some stage during lock down and on each occasion there have been no concerns flagged and operations continue.

STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

COVID-19 Risk (continued)
The business has benefitted significantly from the Government's Coronavirus Job Retention Scheme, and in addition further support was taken in Total Vehicle Solutions Group in the form of a Coronavirus Business Interruption Loan Scheme, this was backed by Barclays and supported against unsecured property assets.

Despite the impact of COVID-19 the business remains profitable and will see an improvement in financial performance for the year to March 2022 and forecasts beyond this remain optimistic following a return to more normal conditions as the vaccine programmes continue and the economy is gradually unlocked.

Legislative risk
Legislative risk has been mitigated through the European Whole Vehicle Type Approval (EWVTAL) accreditation, and in 2020 the Total Vehicle Solutions Group was awarded group wide EWVTAL accreditation.

Financial risk management and objectives

Foreign exchange transactional currency exposure
The company is exposed to currency exchange rate risk due to trading with customers domiciled in foreign countries. No active management of this risk is undertaken.

Liquidity risk
The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when the fall due. The group expects to meet its financial obligations through operating cash flows.

Customer credit exposure
The company offers credit terms to customers which allow payment of the debt after delivery of the goods or services. The company is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships.

This report was approved by the board on 11 May 2022 and signed on its behalf.

DocuSigned by:
Alan Sime
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Alan Sime
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

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

Results and dividends

The loss for the period, after taxation, amounted to £881,752 (2020: loss of £532,916).

During the period the company paid no dividends (2020: nil).

Future developments

The Company's traditional activity of supplying vehicles to the Agricultural Industry has been impacted by COVID-19 and the availability of chassis on which to build (due to the worldwide semi-conductor availability). In response, the Company has formed closer working relationships with its fellow group undertaking, SB Components (International) Limited. This has allowed building skills to be shared, improved the range of products that the Company can produce and also increased the manufacturing capacity of the wider Total Vehicle Solutions Group. The benefit of this approach has been seen in the second half of the financial year ended 31st March 2022 where the Company has returned to generating profits at the EBITDA level.

In addition, Total Vehicle Solutions Group is investing in the next generation of mixers and tippers for use with Electric Vehicles. It is well documented that legislation is being introduced over the next few years that will restrict the use of diesel vehicles and the Group are working with OEMs to develop leading edge vehicles suitable for use in all locations. This is an exciting development for the Company and the wider Total Vehicle Solutions Group and supports our commitment to developing products suitable to the changing needs of our customers and the Environment.

Directors

The directors who served during the year were:

A J Ducker
D B Manning (deceased 9 March 2022)
D S McQueen (resigned 6 July 2021)
M J Rice (resigned 28 February 2022)
K Walker
J Warren (resigned 23 August 2021)
A Sime (appointed 7 February 2022)
J G Rawlings (appointed 7 February 2022)
C A Harris (appointed 16 August 2021)

Going concern

The directors have prepared cash flow forecasts across the Total Vehicle Solutions Group for the foreseeable future, being the 27 month period from the balance sheet date and ending on 30 June 2023, which give the Directors reasonable confidence the company will have adequate resources to meet its operating liabilities as they fall due for the foreseeable future.

The company also has a financial support letter from its parent undertaking for the 27 month period from the balance sheet date and ending on 30 June 2023, Total Vehicle Solutions Group Limited, which is for a period of more than 12 months after the approval of the financial statements. To satisfy themselves that the parent company has the means to provide such financial support if required, the directors have performed the following procedures: reviewed group forecasts including the underlying assumptions, held discussions with group directors, reviewed order books and sales pipelines supporting the forecast group sales, performed scenario and sensitivity testing on the base forecasts to ensure any downside can be managed and does not cause any liquidity or covenant compliance issues, have reviewed the forecast financial covenant compliance for the duration of the going concern period and have considered all other information that is relevant to the future operations and cashflows of the group.

On the basis of their assessment, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and

- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the period end.

Auditor

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 11 May 2022 and signed on its behalf.

DocuSigned by:

Alan Sime

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Alan Sime
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIDEN ENGINEERING LIMITED

Opinion

We have audited the financial statements of Priden Engineering Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes 1 to 28, 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 company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 30 June 2023, which is for a period of more than 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 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; and
- we have not received all the information and explanations we require for our audit; or

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are Companies Act 2006, the reporting framework FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", Bribery Act 2010, Money Laundering Regulations 2017 and UK Tax Legislation.
- We understood how the company is complying with those frameworks by making and corroborating enquiries of management and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through review of the following documentation or performance of the following procedures:
    - Obtaining an understanding of entity-level controls and considering the influence of the control environment;
    - Obtaining an understanding of policies and procedures in place regarding compliance with laws and regulations, including how compliance with such policies is monitored and enforced; obtaining an understanding of management's process for identifying and responding to fraud risks, including programs and controls established to address risks identified or otherwise prevent, deter and detect fraud and how senior management monitors those programs and controls; and
    - Review of board meeting minutes in the period and to the date of signing.

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

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by discussion within the audit team which included:
  - Identification of related parties, including circumstances related to the existence of a related party with dominant influence;
  - Understanding the company's business and entity-level controls and considering the influence of the control environment; and
  - Considering the nature of the account and our assessment of inherent risk for relevant assertions of significant accounts.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing of journal entries, with focus on manual journals, large or unusual transactions, or journals meeting our defined risk criteria based on our understanding of the business; reviewing accounting estimates for evidence of management bias; enquiring of members of senior management and those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements; and inspecting correspondence, if any, with the relevant licensing or regulatory authorities.

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

Use of our report

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

Ernst & Young LLP

Lindsay Russell
For and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date: 11 May 2022

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Note	31 March 2021 £	31 March 2020 £
Turnover	4	7,623,809	9,258,784
Cost of sales		(6,345,546)	(7,996,937)
Gross profit		1,278,263	1,261,847
Administrative expenses:			
Before exceptional items		(1,918,668)	(1,689,665)
Exceptional items	5(b)	(248,850)	(35,848)
Operating loss	5(a)	(889,255)	(463,666)
Interest receivable and similar income	9	4	170
Interest payable and similar expenses	10	(42,859)	(8,878)
Loss before tax		(932,110)	(472,374)
Tax credit/(charge)	11	50,358	(60,542)
Loss for the financial year		(881,752)	(532,916)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(881,752)	(532,916)

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 11 to 24 form part of these financial statements.

PRIDEN ENGINEERING LIMITED
REGISTERED NUMBER: 04315304

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note		31 March 2021 £		31 March 2020 £
Fixed assets					
Intangible assets	12		-		209,354
Tangible assets	13		2,536,945		2,565,675
			2,536,945		2,775,029
Current assets					
Stocks	14	1,220,585		1,437,900	
Debtors: amounts falling due within one year	15	2,285,069		2,070,414	
Cash at bank and in hand	16	116,407		129,588	
		3,622,061		3,637,902	
Creditors: amounts falling due within one year	17	(5,162,079)		(5,289,131)	
Net current liabilities			(1,540,018)		(1,651,229)
Total assets less current liabilities			996,927		1,123,800
Creditors: amounts falling due after more than one year	18		(557,168)		(63,320)
Provisions for liabilities					
Deferred tax liabilities	21		(86,296)		(138,765)
Warranty provision	22		(313,500)		-
Net assets			39,963		921,715
Capital and reserves					
Called up share capital	23		3		3
Retained earnings			39,960		921,712
Shareholder funds			39,963		921,715

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 May 2022.

DocuSigned by:

Alan Sime

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A Sime
Director

The notes on pages 11 to 24 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Profit and loss account £	Total equity £
Balances at 31 March 2019	**3**	**1,454,628**	**1,454,631**
Loss for the year	–	(532,916)	(532,916)
Balances at 31 March 2020	**3**	**921,712**	**921,715**
Loss for the year	-	(881,752)	(881,752)
Balances at 31 March 2021	**3**	**39,960**	**39,963**

The notes on pages 11 to 24 form part of these financial statements.

1. General information

Priden Engineering Limited is a private company, limited by shares and registered in England and Wales.

The company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The presentational currency of the financial statements is the Pound Sterling (£) and no rounding has been applied.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48 (b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Total Vehicle Solutions Group Limited as at 31 March 2021 and these financial statements may be obtained from Companies House.

2.3 Going concern

The directors have prepared cash flow forecasts across the Total Vehicle Solutions Group for the foreseeable future, being the 27-month period from the balance sheet date and ending on 30 June 2023, which give the Directors reasonable confidence the company will have adequate resources to meet its operating liabilities as they fall due for the foreseeable future.

The company also has a financial support letter from its parent undertaking for the 27-month period from the balance sheet date and ending on 30 June 2023, Total Vehicle Solutions Group Limited, which is for a period of more than 12 months after the approval of the financial statements. To satisfy themselves that the parent company has the means to provide such financial support if required, the directors have performed the following procedures: reviewed group forecasts including the underlying assumptions, held discussions with group directors, reviewed order books and sales pipelines supporting the forecast group sales, performed scenario and sensitivity testing on the base forecasts to ensure any downside can be managed and does not cause any liquidity or covenant compliance issues, have reviewed the forecast financial covenant compliance for the duration of the going concern period and have considered all other information that is relevant to the future operations and cashflows of the group.

On the basis of their assessment, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2. Accounting policies (continued)

2.4 Turnover

Turnover comprises the invoiced value of goods supplied by the company excluding trade discounts and value added tax.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The specific methods used to recognise the different forms of revenue earned by the company are set out below.

Sale of goods

Turnover from the sale of goods is recognised when the following conditions are satisfied:

- the company has delivered the good to the customer, transferring the significant risks and rewards of ownership;
- the costs incurred to manufacture the good can be measured reliably;
- the amount of revenue can be measured reliably; and
- it is probable that the company will receive the consideration due under the transaction.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Development costs are capitalised to the extent that they represent expenditure on separately identifiable projects on which the outcome is assessed as probable that future economic benefits will flow to the company.

Research costs are written off in the year in which they are incurred.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its useful economic life or, if held under a finance lease, over the term of the lease, whichever is shorter, as follows:

Leasehold improvements	- 4%	on cost
Plant and machinery	- 15%	on reducing balance
Motor vehicles	- 25%	on reducing balance
Fixtures and fittings	- 15%	on reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2. Accounting policies (continued)

2.7 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Investments

Investments are recognised at cost less any provision for impairment.

2.9 Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

- Raw materials, consumables, and goods for resale - purchase cost on a first in, first out basis.
- Work in progress - cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. 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.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2. Accounting policies (continued)

2.12 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Creditors

Short term 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.

2.14 Foreign currency translation

Functional and presentation currency
The company's functional and presentational currency is GBP.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period-end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.16 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight-line basis over the lease term.

2. Accounting policies (continued)

2.17 Hire purchase leases: the company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.18 Pensions

Defined contribution pension plan
The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.19 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.20 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the company becomes aware of the obligation and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.22 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

2. Accounting policies (continued)

2.22 Current and deferred taxation (continued)

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax balances are not discounted.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of 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.

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements:

Development costs
The company has capitalised development costs in relation to ongoing development projects for new, innovative products that have yet to be released to market. Based on the development to-date, the directors believe this product will drive sales in the market once released, therefore providing an economic benefit the company. As a result, the capitalisation of costs remains appropriate. In assessing impairment, management has assessed the project development to-date compared to the expected future benefit to the company. Estimation uncertainty relates to assumptions used to determine the expected future benefit to the company.

Warranty
The company offers a warranty on products sold to customers. As such, it is necessary to consider the expected future costs that will be incurred in meeting this warranty obligation and the associated warranty provision required. When calculating the warranty provision, management considers the specific warranty terms offered to customers, as well as both historic rates of warranty claims, and any current issues of which management is aware.

4. Turnover

The turnover and profit before taxation are attributable to the one principal activity of the company. An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
United Kingdom	**7,263,809**	9,258,784

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5(a). Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Depreciation of owned tangible fixed assets	**297,215**	109,179
Depreciation of leased tangible fixed assets	**19,800**	23,639
Operating leases - plant and machinery	**20,206**	26,849
Operating leases - land and buildings	**225,292**	96,252
Defined contribution pension cost	**70,413**	52,456

5(b). Exceptional items

	2021 £	2020 £
Integration support	**37,566**	35,848
Impairment of intangible assets (see Note 12)	**211,284**	-
	248,850	35,848

6. Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	**24,000**	24,000
Fees payable to the company's auditor in respect of:		
Accounts preparation services	**2,000**	2,000
Tax compliance services	**4,000**	4,000
	30,000	30,000

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	**1,554,388**	2,292,362
Social security costs	**152,887**	18,771
Other pension costs	**70,413**	52,456
	1,777,688	2,363,589

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No	2020 No
Management and administration	**17**	21
Production	**45**	52
	62	73

8. Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	82,887	157,886
Directors' pension contribution to money purchase schemes	2,552	4,734
	85,439	162,620

During this year and prior year no retirement benefits were accruing to directors in respect of money purchase schemes.

Remuneration of highest paid director:

	2021	2020
	£	£
Directors' emoluments	82,887	85,150
Company contributions to defined contribution pension schemes	2,552	2,554
	84,439	87,704

9. Interest receivable and similar income

	2021	2020
	£	£
Bank interest receivable	4	170

10. Interest payable and similar expense

	2021	2020
	£	£
Interest on bank overdraft	-	824
Hire purchase contract charges	42,859	8,054
	42,859	8,878

11. Taxation

	2021	2020
	£	£
Corporate tax		
Current tax on profits for the year	-	9,120
Adjustment in respect of previous periods	1,127	3,426
Total current tax	1,127	12,546
Deferred tax		
Origination and reversal of timing differences	(48,632)	55,222
Adjustments in respect of previous periods	(2,853)	(16,429)
Effect of rate change on opening balance	-	9,203
Total deferred tax	(51,485)	47,996
Taxation (credit)/charge	(50,358)	60,542

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss before tax	**(932,110)**	(472,374)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2020 - *19%*)	**(177,101)**	(89,751)
Effects of:		
Expenses not deductible for tax purposes	**2,621**	8,582
Adjustments to tax charge in respect of previous periods	**(1,726)**	(13,003)
Deferred tax not provided	**125,848**	-
Group relief	**-**	145,511
Adjust opening deferred tax to average rate of 19%	**-**	9,203
Total tax (credit)/charge	**(50,358)**	60,542

Factors that may affect future tax charges

On 24 May 2021, the Finance Bill 2021 was substantively enacted so that from 1 April 2023 the headline corporation tax rate will increase to 25%. We have continued to measure the deferred tax at the rate of 19% as the new rate was substantively enacted after the balance sheet date. Had the 25% rate been substantively enacted on or before 31 March 2021 it would have had the effect of increasing the deferred tax liability by £27,251.

12. Intangible assets

	Development costs	
	2021 £	2020 £
Cost		
Balance at beginning of the year	**239,056**	238,256
Additions	**1,930**	800
Balance at end of the year	**240,986**	239,056
Accumulated impairment		
Balance at beginning of the year	**(29,702)**	(29,702)
Impairment charge	**(211,284)**	-
Balance at the end of the year	**(240,986)**	(29,702)
Net book value	**-**	209,354

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. Tangible fixed assets

	Leasehold improvement	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£	£
Cost					
Balance at beginning of the year	2,123,912	822,418	518,686	99,668	3,564,684
Additions	31,248	231,324	3,494	25,078	291,144
Disposals	–	–	(72,997)	–	(72,997)
Balance at end of the year	**2,155,160**	**1,053,742**	**449,183**	**124,746**	**3,782,831**
Accumulated depreciation					
Balance at beginning of the year	89,519	471,585	381,578	56,327	999,009
Charge for the year on owned assets	86,206	134,722	66,590	9,696	297,214
Charge for the year on leased assets	-	16,180	3,620	-	19,800
Disposals	–	-	(70,137)	-	(70,137)
Balance at end of the year	**175,725**	**622,487**	**381,651**	**66,023**	**1,245,886**
Net book values					
At 31 March 2021	**1,979,435**	**431,255**	**67,532**	**58,723**	**2,536,945**
At 31 March 2020	**2,034,393**	**350,833**	**137,108**	**43,341**	**2,565,675**

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021	2020
	£	£
Motor vehicles	**1,447**	97,774
Plant and machinery	**159,834**	-
	161,281	97,774

14. Stocks

	2021 £	2020 £
Raw materials and consumables	390,057	664,647
Work in progress	830,528	773,253
	1,220,585	1,437,900

15. Debtors

	2021 £	2020 £
Trade debtors	901,755	1,021,876
Amounts owned by group undertakings	1,171,568	580,702
Other debtors	-	33,144
Tax recoverable	73,961	118,765
Prepayments	137,785	315,927
	2,285,069	2,070,414

Trade debtors are presented net of a provision for bad debts of £nil (2020: £nil), which represents amounts identified as unrecoverable by management.

16. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	116,407	129,588

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	924,057	2,271,732
Amounts owed from group undertakings	3,820,227	2,852,602
Accrual and deferred income	138,270	48,157
Social security and other taxes	143,874	61,403
Hire purchase contracts (see note 20)	117,514	54,923
Other creditors	18,137	314
	5,162,079	5,289,131

18. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Net obligations under hire purchase contracts (see note 20)	557,168	63,320

19. Secured debts

The following secured debts are included within creditors:

	2021 £	2020 £
Hire purchase contracts	**674,682**	118,243

The obligation under hire purchase contracts are secured over the assets to which they relate.

20. Leasing agreements

Minimum lease payments under hire purchase contracts fall due as follows:

	2021 £	2020 £
Within one year	**117,514**	54,923
Between one and five years	**557,168**	63,320
	674,682	118,243

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	**200,000**	102,983
Between one and five years	**800,000**	332,727
In more than five years	**3,741,667**	–
	4,741,667	435,710

21. Deferred taxation

	2021 £	2020 £
At beginning of year	**138,765**	70,243
Adjustment in respect of prior years	**(3,837)**	-
Charge to profit or loss	**(48,632)**	68,522
At end of year	**86,296**	138,765

The deferred taxation balance is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	**94,772**	142,354
Other timing differences	**(8,476)**	(3,589)
	86,296	138,765

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

22. Warranty provision

	£
At 1 April 2020	-
Increase in year	313,500
Utilised	-
Unused amounts reversed	-
At 31 March 2021	313,500

The Company manufactures a wide range of products for use primarily in the agricultural sector. Some products carry formal guarantees of satisfactory performance of varying periods following their purchase by customers and a provision is carried in respect of the expected costs of settling warranty and guarantee claims which may arise. Both the number of claims and the cost of settling the claim are sensitive to change but not to such an extent as would cause a material change in the provision. Provisions are reviewed by management on a regular basis and adjusted to reflect the current best estimate of the economic outflow. If it is no longer probable that an outflow of economic benefits will be required, the related provision is reversed. As at 31st March 2021 £33,500 of the warranty provision would be considered general in nature (2020; £Nil).

23. Share capital

	2021	2020
	£	£
Shares classified as equity		
Allotted, called up and fully paid - 3 Ordinary shares of £1 each	3	3

24. Reserves

Share capital
Includes the nominal value of shares issued.

Profit and loss account
Includes all current and prior period retained profits and losses.

25. Contingent liabilities

Under cross-guarantees and debentures there is a potential liability of £nil (2020: £nil) in respect of a right of set-off on bank balances with fellow group companies Priden (UK) Limited and Priden Holdings Limited.

26. Pension commitments

The company makes contributions to a defined contribution pension scheme whose assets are held separately from those of the company in independently administered funds. The pension charge represents contributions payable by the company to the scheme and amounted to £70,413 (2020: £52,456).

At 31 March 2021, unpaid pension contributions amounted to £nil (2020: £314) and are included in other creditors.

27. Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

28. Controlling party

The immediate parent undertaking is Priden (UK) Limited, a company incorporated in England and Wales.

The largest group in which the results of the company for the period ended 31 March 2021 are consolidated is that headed by Total Vehicle Solutions Group Limited. Copies of the consolidated financial statements of Total Vehicle Solutions Group Limited are available on Companies House.

The ultimate controlling party is Elaghmore GP LLP.