

GREY TECHNOLOGY LIMITED

Strategic Report, Report of the Director and

Financial Statements for the Year Ended 30 November 2022

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for the year ended 30 November 2022

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GREY TECHNOLOGY LIMITED

Company Information
for the year ended 30 November 2022

Director: Mr N G Grey

Secretary: Mrs L M Grey

Registered office: First Floor
Saggar House
Princes Drive
Worcester
Worcestershire
WR1 2PG

Registered number: 04320113 (England and Wales)

Auditors: Cooper Parry Group Limited
CUBO Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
West Midlands
B3 3AX

Strategic Report
for the year ended 30 November 2022

The director presents his strategic report for the year ended 30 November 2022.

Review of business

Our review takes into account the size and nature of the business and the risks and uncertainties we face.

Key performance indicators

The director regularly monitors the trading climate in terms of the product performance, customer satisfaction and financial performance of the business.

Development and performance

2022 was a difficult economic climate for trade and the business suffered as a consequence. Rising costs have affected consumer habits and sales have been much harder to come by than previous years. However the company has continued to act prudently with a long term strategy and have achieved a number of important goals since the last strategic report was published.

Principal risks and uncertainties

It has been necessary for the business to reduce its price discounts and bring consumer expectations to a more sustainable level. Gtech is preparing for the launch of AirRAM 3 in Q4 and invested in branding and a new warehouse. The warehouse should see monthly savings of around £200,000 and other overheads have also been reduced.

The business has introduced a data research and development team to continue to modernise our approach for growth.

We now have a team of 8 product creators and are working on a number of new strategic products to widen and globalise our appeal.

The Brentford stadium sponsorship deal is also a key part of our global plans.

Despite the warehouse purchase and brand investment, cash reserves are still healthy at around £30m and this stands the business in good stead for when the economic climate eases and our new products are ready for launch. Cash investment in marketing and stock will be key at this point.

2022 returned a profit after tax of £1.9m (2021 £10.4m), the long-term progress has been encouraging and expectations are for a modest profit of around £1m in 2023 with a return to growth within the next 2 years.

Strategic Report
for the year ended 30 November 2022

Section 172 statement

The Director considers that he has acted in a way he considers to be in good faith, and would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the shareholders and matters set out in s172(1)(a-f) of the act) in the decisions taken during the year ended 30 November 2022.

The Director believes that key stakeholders of the Company includes employees, shareholders, customers, suppliers and the local community, and the business plan that the Director has adopted includes the following key matters that are relevant to complying with S172(1) of the Companies Act 2006:

Long-term decisions

The Director's plan is designed to have a long-term beneficial impact on the Company to both continue to grow the reputation of the Company in the market place and employ experienced personnel throughout the business.

Employees

The Director recognises the valuable contribution that our employees make to the success of the business. The company aims to be a responsible employer in our approach to the pay and benefits that our employees receive. The health safety and well-being of our employees is one of the primary considerations in the way that the company does business.

Customers and suppliers

Fostering positive and strategic long-term relationships with our retail customers and suppliers has been key to the Company's success and the Director recognises the need to continue to develop and maintain such relationships. High quality service to customers is a key value of Grey Technology Limited and central to how business is conducted and differentiates us from our competitors.

The Director, and employees at all levels in the business, are in regular ongoing communication with their counterparts from suppliers and retail customers. Key issues are escalated to the Director to ensure that the Company's values and standard are consistent throughout.

Community and the environment

As a responsible business, Grey Technology Limited recognises that its operations have potential direct and indirect impacts on the environment. Consequently, our development efforts continue to produce extremely power efficient and long lasting (20 year working life) products.

On behalf of the board:

Mr N G Grey - Director

22 December 2023

Report of the Director
for the year ended 30 November 2022

The director presents his report with the financial statements of the company for the year ended 30 November 2022.

Principal activity

The principal activity of the company in the year under review was that of the design, development and supply of domestic electrical products.

Dividends

No dividends will be distributed for the year ended 30 November 2022.

Events since the end of the year

Information relating to events since the end of the year is given in the notes to the financial statements.

Director

Mr N G Grey held office during the whole of the period from 1 December 2021 to the date of this report.

Financial instruments - financial risk management

Cash flow

The company continues to be self-funded. The trading model and contract negotiations are expected to facilitate growth without the need for external financing. Cash flow is closely monitored and sufficient funds are available for all current and forecast activities.

Credit management

The company undertakes extensive credit checks prior to offering a credit account and has become more selective with retail partners. Stringent debt chasing policies ensure debtors are managed efficiently and the marketing strategy reduces Gtech's reliance on the retail environment.

Price risk / foreign exchange risk

The company is exposed to price risk and foreign exchange risk on its raw material and product supplies, which are principally denominated in US dollars.

Going concern

The director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the director continues to adopt the going concern basis in preparing the financial statements.

Streamlined energy and carbon reporting

The company fulfils its statutory requirements for Streamlined Energy and Carbon Reporting, which includes disclosure of the company's carbon emissions. Under the Companies Act 2006 / SECR Regulations, 'Large' companies are required to report their annual emissions within the Director's Report.

The company's SECR statement covers the year to November 2022 and has been prepared in line with the requirements of the SECR regulations and the relevant areas of the Greenhouse Gas ('GHG') Protocol Corporate Accounting and Reporting Standard.

Scope of reporting

The scope of this SECR includes all activities and sites controlled by Grey Technology Limited. All sites and activities are situated and carried out in the United Kingdom.

Emissions are broken down into three categories by the GHG Protocol, as follows:

Scope 1 - All Direct Emissions from the activities of an organisation or under their control. Including fuel combustion on site such as gas boilers, fleet vehicles and air-conditioning leaks;

Scope 2 - Indirect Emissions from electricity purchased and used by the organisation. Emissions are created during the production of the energy and eventually used by the organisation; and

Scope 3 - All Other Indirect Emissions from activities of the organisation, occurring from sources that they do not own or control. These are usually the greatest share of the carbon footprint, covering emissions associated with business travel, procurement, waste and water.

Methodology

A 'Dual Reporting' methodology has been used to indicate emissions using UK electricity grid average emission factors (the 'Location Based' method) and also using average fuel consumption factor to estimate usage where actual usage data was unavailable.

Report of the Director
for the year ended 30 November 2022

Streamlined energy and carbon reporting (continued)

Energy data has been collected from the following sources:

Activity	Source of data
Electricity consumption	Total kilowatt hours used from suppliers' electricity bill and annual statements.
Gas consumption	N/A
Company owned commercial vehicles	Total litres purchased from fuel cards.
Company car fleet fuel consumption	Total litres purchased from fuel cards.

Energy usage and emissions report

	2022	2021
Total Energy consumption	745028 kWh	331830 kWh
Emissions from combustion of gas (Scope 1)	N/A	N/A
Emissions from combustion of fuel for the purposes of transport (Scope 1)	2 tCO ₂ e	2 tCO ₂ e
Emissions from purchased electricity (Scope 2)	142 tCO ₂ e	67 tCO ₂ e
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	1 tCO ₂ e	3 tCO ₂ e
Total gross emissions	145 tCO ₂ e	72 tCO ₂ e
Emissions per £1m turnover	2 tCO ₂ e per £1m turnover	1 tCO ₂ e per £1m turnover

Disclosure in the strategic report

Certain disclosures required by the Companies Act regarding the company's research and development activity, and an indication of the likely future developments in the business, have been covered in the context of the Strategic Report.

Statement of director's responsibilities

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Statement as to disclosure of information to auditors

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Report of the Director
for the year ended 30 November 2022

Auditors

The audit business of Haines Watts Birmingham LLP was acquired by Cooper Parry Group Limited on 14 November 2023. Haines Watts Birmingham LLP has resigned as auditor and Cooper Parry Group Limited has been appointed in its place.

The auditors, Cooper Parry Group Limited, are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

On behalf of the board:

Mr N G Grey - Director

22 December 2023

Report of the Independent Auditors to the Members of
Grey Technology Limited

Opinion

We have audited the financial statements of Grey Technology Limited (the 'company') for the year ended 30 November 2022 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Director.

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Members of
Grey Technology Limited

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page five, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

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

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the director and other management. The most significant were identified as the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included, but were not limited to:

- making enquires of directors and management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of
Grey Technology Limited

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 a Report of the Auditors 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.

Andrew Hughes FCA (Senior Statutory Auditor)
for and on behalf of Cooper Parry Group Limited
CUBO Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
West Midlands
B3 3AX

22 December 2023

Income Statement
for the year ended 30 November 2022

	Notes	2022 £	2021 £
Turnover	3	34,364,754	65,083,319
Cost of sales		<u>(19,679,376)</u>	<u>(33,767,396)</u>
Gross profit		14,685,378	31,315,923
Administrative expenses		<u>(13,599,795)</u>	<u>(18,683,373)</u>
Operating profit	5	1,085,583	12,632,550
Impairment of group debt	6	<u>(560,890)</u>	-
		524,693	12,632,550
Interest receivable and similar income	7	<u>62,056</u>	34,943
Profit before taxation		586,749	12,667,493
Tax on profit	8	<u>1,336,561</u>	<u>(2,296,117)</u>
Profit for the financial year		<u>1,923,310</u>	<u>10,371,376</u>

The notes form part of these financial statements

Other Comprehensive Income
for the year ended 30 November 2022

	Notes	2022 £	2021 £
Profit for the year		1,923,310	10,371,376
Other comprehensive income		-	-
Total comprehensive income for the year		<u>1,923,310</u>	<u>10,371,376</u>

Statement of Financial Position
30 November 2022

	Notes	£	2022 £	£	2021 £
Fixed assets					
Intangible assets	10		59,932		9,392
Tangible assets	11		744,056		645,335
Investments	12		1		1
			<u>803,989</u>		<u>654,728</u>
Current assets					
Stocks	13	10,879,929		11,966,363	
Debtors	14	11,144,817		8,572,082	
Cash at bank and in hand		<u>30,232,634</u>		<u>35,732,183</u>	
		52,257,380		56,270,628	
Creditors					
Amounts falling due within one year	15	<u>4,968,789</u>		<u>9,463,978</u>	
Net current assets			<u>47,288,591</u>		<u>46,806,650</u>
Total assets less current liabilities			<u>48,092,580</u>		<u>47,461,378</u>
Provisions for liabilities	17		<u>1,131,438</u>		<u>2,423,546</u>
Net assets			<u>46,961,142</u>		<u>45,037,832</u>
Capital and reserves					
Called up share capital	18		10,000		10,000
Retained earnings	19		<u>46,951,142</u>		<u>45,027,832</u>
Shareholders' funds			<u>46,961,142</u>		<u>45,037,832</u>

The financial statements were approved by the director and authorised for issue on 22 December 2023 and were signed by:

Mr N G Grey - Director

Statement of Changes in Equity
for the year ended 30 November 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 December 2020	10,000	51,656,456	51,666,456
Changes in equity			
Dividends	-	(17,000,000)	(17,000,000)
Total comprehensive income	-	10,371,376	10,371,376
Balance at 30 November 2021	<u>10,000</u>	<u>45,027,832</u>	<u>45,037,832</u>
Changes in equity			
Total comprehensive income	-	1,923,310	1,923,310
Balance at 30 November 2022	<u>10,000</u>	<u>46,951,142</u>	<u>46,961,142</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the year ended 30 November 2022

1. **Statutory information**

Grey Technology Limited is a private company, limited by shares, 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**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The director continues to adopt the going concern basis in preparing the financial statements as his belief is that company has adequate resources and support to continue in operational existence for the foreseeable future. In making this assessment the director considers a period of at least 12 months from the date of approval of these financial statements.

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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about Grey Technology Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Grey Technology Holding Limited, United Kingdom.

Significant judgements and estimates

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Director to exercise judgement in applying the company's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, are disclosed below:

Depreciation of tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Warranty provisions

A provision is incorporated into the financial statements to reflect an estimate of future costs to be incurred as a consequence of warranties provided to customers on invoiced sales. Warranties are provided to customers for a period of 2 years. The estimated requirement for provision is calculated using an average of returns for individual product lines from the current and previous financial years.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Domains & licences are being amortised evenly over their estimated useful life of three years.

Development costs are being amortised evenly over their estimated useful life of five years.

Notes to the Financial Statements - continued
for the year ended 30 November 2022

2. Accounting policies - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 20% on cost
Tooling	- 40% on cost
Fixtures, fittings and equipment	- 20% on cost
Motor vehicles	- 33% on cost
Computer equipment	- 33% on cost

Tangible assets are initially measured at cost. After initial recognition, tangible assets are measured at cost less any accumulated impairment losses. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

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

Financial instruments

Financial assets and financial liabilities are categorised under FRS 102 as either basic financial instruments or other financial instruments.

The company deals principally in basic financial instruments, which are accounted for in accordance with section 11 of FRS102.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

The company has the ability to deal in other more complex financial instruments such as derivative forward contracts for the hedging of foreign currency. Where material, these will be accounted for under section 12 of FRS102, initially measured at fair value at the date on which the derivative contract is entered into and subsequently measured at fair value through profit and loss.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Notes to the Financial Statements - continued
for the year ended 30 November 2022

2. **Accounting policies - continued**

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **Turnover**

The turnover and profit before taxation are attributable to the one principal activity of the company.

12.3% of the turnover of the company is attributable to geographical markets outside the UK (2021 8.5%).

4. **Employees and directors**

	2022 £	2021 £
Wages and salaries	4,225,808	4,960,759
Social security costs	369,455	411,917
Other pension costs	69,035	80,184
	<u>4,664,298</u>	<u>5,452,860</u>

The average number of employees during the year was as follows:

	2022	2021
Director & Management	7	2
Research & Development	26	24
Selling & Distribution	115	158
Finance & Administration	13	15
	<u>161</u>	<u>199</u>

	2022 £	2021 £
Director's remuneration	140,155	216,090
Director's pension contributions to money purchase schemes	<u>-</u>	<u>2,284</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>-</u>	<u>1</u>
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5. **Operating profit**

The operating profit is stated after charging/(crediting):

	2022 £	2021 £
Depreciation - owned assets	608,796	845,883
Profit on disposal of fixed assets	-	(15,833)
Development costs amortisation	15,510	2,108
Auditors' remuneration	19,800	18,000
Foreign exchange differences	267,337	(168,898)
Operating lease rental	983,333	150,000
Non-audit fees	<u>22,400</u>	<u>72,815</u>

Notes to the Financial Statements - continued
for the year ended 30 November 2022

6. **Exceptional items**

	2022	2021
	£	£
Impairment of group debt	<u>(560,890)</u>	<u>-</u>

Grey Trading (Shanghai) Co. Ltd

The Company's Chinese subsidiary ceased to trade in the accounting period to 30 November 2019. The balance owing on the intercompany loan between the two entities was deemed irrecoverable and was provided for in full. The total provision of £665,955 was charged to exceptional items in the profit and loss account in 2018. In the accounting period to 30 November 2019, sums were received back from the Chinese subsidiary. The sum of £274,459 had been credited to exceptional items in the profit and loss account. In the accounting period to 30 November 2020, sums were received back from the Chinese subsidiary. The sum of £116,503 was credited to exceptional items in the profit and loss account. In the accounting period to 30 November 2021 no further sums have been received.

In the current year (2022) a debtor balance of £240,000 was deemed irrecoverable so has been written-off to exceptional items. Additionally, an asset of £134,150 relating to the representative office has been written-off.

Grey Technology USA

The inter-company balance of £186,740 has been deemed irrecoverable so has been written-off to exceptional items.

7. **Interest receivable and similar income**

	2022	2021
	£	£
Bank interest	16,641	24,704
Corporation tax interest	45,415	10,239
	<u>62,056</u>	<u>34,943</u>

8. **Taxation****Analysis of the tax (credit)/charge**

The tax (credit)/charge on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	87,961	2,429,101
Adjustments to Corporation Tax		
in respect of previous periods	(1,551,089)	(7,915)
Total current tax	<u>(1,463,128)</u>	<u>2,421,186</u>
Deferred tax	126,567	(125,069)
Tax on profit	<u>(1,336,561)</u>	<u>2,296,117</u>

UK corporation tax has been charged at 19% (2021 - 19%).

Notes to the Financial Statements - continued
for the year ended 30 November 2022

8. **Taxation - continued****Reconciliation of total tax (credit)/charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Profit before tax	586,749	12,667,493
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	111,482	2,406,824
Effects of:		
Expenses not deductible for tax purposes	109,503	1,958
Income not taxable for tax purposes	-	(4,855)
Capital allowances in excess of depreciation	(133,024)	-
Depreciation in excess of capital allowances	-	25,174
Adjustments to tax charge in respect of previous periods	(1,551,089)	(7,915)
Deferred Tax	126,567	(125,069)
Total tax (credit)/charge	<u>(1,336,561)</u>	<u>2,296,117</u>

The prior year adjustment to tax of £1.55m represents the under/over provision for R&D in previous years. R&D is recognised in the financial statements on receipt basis.

Deferred tax has been calculated at the Finance Act 2021 prevailing rate of 25% (2021 - 25%).

9. **Dividends**

	2022 £	2021 £
Ordinary shares of £1 each		
Interim	-	17,000,000

10. **Intangible fixed assets**

	Domains & licences £	Development costs £	Totals £
Cost			
At 1 December 2021	1,750	11,500	13,250
Reclassification/transfer	-	66,050	66,050
At 30 November 2022	<u>1,750</u>	<u>77,550</u>	<u>79,300</u>
Amortisation			
At 1 December 2021	1,750	2,108	3,858
Amortisation for year	-	15,510	15,510
At 30 November 2022	<u>1,750</u>	<u>17,618</u>	<u>19,368</u>
Net book value			
At 30 November 2022	<u>-</u>	<u>59,932</u>	<u>59,932</u>
At 30 November 2021	<u>-</u>	<u>9,392</u>	<u>9,392</u>

Notes to the Financial Statements - continued
for the year ended 30 November 2022

11. **Tangible fixed assets**

	Improvements to property £	Tooling £	Fixtures, fittings and equipment £
Cost			
At 1 December 2021	12,651	8,446,204	420,917
Additions	-	161,768	464,837
Disposals	-	-	-
Reclassification/transfer	-	-	-
At 30 November 2022	12,651	8,607,972	885,754
Depreciation			
At 1 December 2021	12,651	7,982,609	390,540
Charge for year	-	456,779	59,585
Eliminated on disposal	-	-	-
At 30 November 2022	12,651	8,439,388	450,125
Net book value			
At 30 November 2022	-	168,584	435,629
At 30 November 2021	-	463,595	30,377

	Motor vehicles £	Computer equipment £	Totals £
Cost			
At 1 December 2021	152,212	1,695,726	10,727,710
Additions	-	146,962	773,567
Disposals	-	(1,718)	(1,718)
Reclassification/transfer	-	(66,050)	(66,050)
At 30 November 2022	152,212	1,774,920	11,433,509
Depreciation			
At 1 December 2021	67,534	1,629,041	10,082,375
Charge for year	42,210	50,222	608,796
Eliminated on disposal	-	(1,718)	(1,718)
At 30 November 2022	109,744	1,677,545	10,689,453
Net book value			
At 30 November 2022	42,468	97,375	744,056
At 30 November 2021	84,678	66,685	645,335

Notes to the Financial Statements - continued
for the year ended 30 November 2022

12. Fixed asset investments

	Shares in group undertakings £
Cost	
At 1 December 2021	
and 30 November 2022	1
Net book value	
At 30 November 2022	1
At 30 November 2021	1

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Gtech USA Inc

Registered office: 2511 North Frazier Street Conroe, TX 77303, United States.

Nature of business: Distribution of domestic electrical products

	% holding		
Class of shares:	100.00		
Ordinary			
		2022	2021
		£	£
Aggregate capital and reserves		(98,451)	(285,191)
Profit/(loss) for the year		186,740	(9,797)

Gtech USA Inc. was incorporated on 16 November 2012. The company commenced trading in 2013. The company ceased to trade in the period ended 30 November 2019.

Grey Technology (Shanghai) Co. Ltd

The company's Chinese subsidiary ceased to trade in the year ending 30 November 2019 and full impairment of the investment has been made in a previous financial year.

13. Stocks

	2022 £	2021 £
Finished goods	10,879,929	11,966,363

14. Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	4,154,826	6,714,029
Amounts owed by group undertakings	-	186,740
Other debtors	5,129	202,543
Directors' current accounts	1,765,837	164,011
Tax	1,176,948	53,304
Deferred tax asset	283,455	410,021
Prepayments and accrued income	2,691,955	841,434
	10,078,150	8,572,082
Amounts falling due after more than one year:		
Prepayments and accrued income	1,066,667	-
Aggregate amounts	11,144,817	8,572,082

Notes to the Financial Statements - continued
for the year ended 30 November 2022

15. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	1,703,872	5,819,341
Amounts owed to group undertakings	630,856	461,036
Tax	-	384,898
Social security and other taxes	71,273	120,564
Wages	-	(15,897)
VAT	930,590	1,317,479
Other creditors	21,079	7,437
Accrued expenses	1,611,119	1,369,120
	<u>4,968,789</u>	<u>9,463,978</u>

16. Leasing agreements

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

	2022	2021
	£	£
Within one year	2,650,000	150,000
Between one and five years	10,300,000	450,000
	<u>12,950,000</u>	<u>600,000</u>

Within operating leases is an annual commitment for office space of £150,000 and an annual commitment to Brentford Stadium for naming rights of £2,500,000.

17. Provisions for liabilities

	2022	2021
	£	£
Other provisions		
Warranty provision	<u>1,131,438</u>	<u>2,423,546</u>
	Deferred tax	Warranty provision
	£	£
Balance at 1 December 2021	(410,021)	2,423,546
Provided during year	126,566	(1,292,108)
Balance at 30 November 2022	<u>(283,455)</u>	<u>1,131,438</u>

A warranty provision is provided at the point the revenue is recognised on products sold under the company warranty terms. The provision is estimated based on an average return rate calculated by reference to the product and sales channel.

18. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

Notes to the Financial Statements - continued
for the year ended 30 November 2022

19. **Reserves**

	Retained earnings £
At 1 December 2021	45,027,832
Profit for the year	1,923,310
At 30 November 2022	<u>46,951,142</u>

20. **Director's advances, credits and guarantees**

The following advances and credits to a director subsisted during the years ended 30 November 2022 and 30 November 2021:

	2022 £	2021 £
Mr N G Grey		
Balance outstanding at start of year	164,011	1,271,662
Amounts advanced	1,601,826	440,727
Amounts repaid	-	(1,548,378)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>1,765,837</u>	<u>164,011</u>

21. **Related party disclosures**

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.

22. **Post balance sheet events**

On 15th March 2023, the Company purchased a warehouse for consideration of £7.3m.

23. **Ultimate parent and controlling party**

The Immediate and Ultimate parent company is Grey Technology Holding Limited, a company registered and incorporated in England and Wales.

The director remains the ultimate controlling party, by virtue of holding the controlling interest in the parent company.

Consolidated accounts for the year are available from First Floor, Saggart House, Princes Drive, Worcester, WR1 2PG.

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