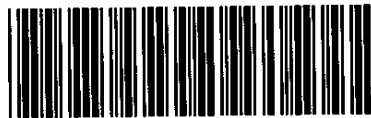


Company Registration No. 04507446 (England and Wales)

**OSL GROUP HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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# **OSL GROUP HOLDINGS LIMITED**

## **COMPANY INFORMATION**

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|                          |  |
|--------------------------|--|
| <b>Directors</b>         | D Grey MBE<br>M Grey   |
| <b>Secretary</b>         | V Richardson   |
| <b>Company number</b>    | 04507446   |
| <b>Registered office</b> | c/o OSL Cutting Technologies Ltd<br>Burgess Road<br>Attercliffe<br>Sheffield<br>S9 3WD |
| <b>Auditor</b>           | Hart Shaw LLP<br>Europa Link<br>Sheffield Business Park<br>Sheffield<br>S9 1XU         |

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# **OSL GROUP HOLDINGS LIMITED**

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# OSL GROUP HOLDINGS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors present the strategic report for the year ended 31 December 2022.

#### **Fair review of the business**

The company is the Holding Company for the following manufacturing businesses, OSL Cutting Technologies Ltd, CQR Security Ltd, Owen Springs Ltd, Toolfit Ltd and Securefast Ltd. Securefast Ltd was acquired early March 22 as part of the ongoing acquisition strategy.

The Group's strategy is to grow these businesses by investment, sales focus and acquisition. The Group also has a strong balance sheet and underutilised financing options available for forward looking investments.

The Directors are pleased to report that all of the Group's trading businesses performed well in the year under review.

#### **Principal risks and uncertainties**

Energy costs, raw material and general market inflationary pressures remain the most pressing issues. The business has taken various measures to contain and control these issues namely; solar panel investment, investment in new equipment, energy reduction committee.

Interest rate increase has tapered our appetite for debt but we have a pipeline of synergy that remains untouched to keep us busy until mid 2024. Cash and balance sheet remain strong giving no concerns.

The Group is not dependent upon any single customer or supplier. The Company trades in foreign currencies both Euro and US Exposure; currency fluctuation is managed centrally within the group.

#### **Key performance indicators**

Turnover increased from £29,518,000 in 2021 to £36,713,000 operating profit decreased from £1,960,000 in 2021 to £882,000. The Directors remain confident that the business will continue to deliver strong underlying profitability.

#### **Other information and explanations**

The Company is aware of its impact on the environment, and in all its activities considers the environmental impact of its decisions as it seeks to attain its business objectives.

On behalf of the board



M Grey  
Director

7 June 2023

# **OSL GROUP HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

---

The directors present their annual report and financial statements for the year ended 31 December 2022.

#### **Principal activities**

The principal activity of the company and group continued to be that of manufacturing and factoring of components and services in the markets of automotive components, automotive aftermarket, heritage rail, fire, safety & security and magnetic drills.

#### **Results and dividends**

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £417,000 (2021: £518,000). The directors do not recommend the payment of a final dividend.

#### **Directors**

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

D Grey MBE

M Grey

#### **Auditor**

In accordance with the company's articles, a resolution proposing that Hart Shaw LLP be reappointed as auditor of the group will be put at a General Meeting.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **OSL GROUP HOLDINGS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

M Grey  
Director



7 June 2023

# OSL GROUP HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF OSL GROUP HOLDINGS LIMITED

---

#### Opinion

We have audited the financial statements of OSL Group Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2022 and of its profit/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 group and parent 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 group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

# **OSL GROUP HOLDINGS LIMITED**

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

### **TO THE MEMBERS OF OSL GROUP HOLDINGS LIMITED**

---

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

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

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

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

#### **Responsibilities of directors**

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

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

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

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud and the audit response**

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

At the planning stage we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management, as required by auditing standards. The potential effect of any laws and regulation on the financial statements can vary considerably. There are laws and regulations that directly affect the financial statements (e.g. the Companies Act) as well as many other operational laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. Owing to the size, nature and complexity of the organisation and the applicable laws and regulations to which it must adhere, the risk of material misstatement was deemed to be low, therefore the procedures performed by the audit team were limited to:

- Communicating identified laws and regulations at planning throughout the audit team to remain alert to any indications of non-compliance throughout the audit.
- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.



# OSL GROUP HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF OSL GROUP HOLDINGS LIMITED

---

We have assessed the overall susceptibility of the financial statements to material misstatement due to fraud. Management override is the most likely way in which fraud might present itself and is therefore inherently high risk on any audit. Management override, which may cause there to be a material misstatement within the financial statements, may present itself in a number of ways, for example:

- Override of internal controls (e.g. segregation of duties)
- Entering into transactions outside the normal course of business, especially with related parties
- Fraudulent revenue recognition, including fictitious sales and sales being recorded in the wrong period
- Presenting bias in accounting judgements and estimates, particularly the ones disclosed in note 2 to the financial statements.

In order to reduce the risk of material misstatement to an acceptable level, numerous audit procedures were performed including:

- Enquiries of management as to whether they had any knowledge of any actual or suspected fraud
- Review of all material journal entries made throughout the year as well as those made to prepare the financial statements
- Reviewing the underlying rationale behind transactions in order to assess whether they were outside the normal course of business
- Increased substantive testing across all material income streams
- Assessing whether management's judgements and estimates indicated potential bias, particularly those disclosed in note 2 to the financial statements

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected material misstatements in the financial statements, even though we have performed our audit in accordance with auditing standards. Furthermore, as with all audits, there is a higher risk of irregularities (especially those relating to fraud) being undetected, as these may involve the override of internal controls, collusion, intentional omissions and misrepresentations etc. We are not responsible for preventing non-compliance or fraud and therefore cannot be expected to detect all instances of such. Our audit was not designed to identify misstatements or other irregularities that would not be considered to be material to the financial statements. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities is available 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.



**Adam Shield (Senior Statutory Auditor)**  
For and on behalf of Hart Shaw LLP

1 September 2023

**Chartered Accountants**  
**Statutory Auditor**

Europa Link  
Sheffield Business Park  
Sheffield  
S9 1XU

# OSL GROUP HOLDINGS LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

|  | Notes    | 2022<br>£'000 | 2021<br>£'000 |
|--|----------|---------------|---------------|
| Turnover                                       | 3        | 36,713        | 29,518        |
| Cost of sales                                  |          | (25,787)      | (19,588)      |
| <b>Gross profit</b>                            |          | <b>10,926</b> | <b>9,930</b>  |
| Administrative expenses                        |          | (10,044)      | (7,794)       |
| Other operating income                         |          | -             | 22            |
| Closure of the Netherlands branch              | 4        | -             | (198)         |
| <b>Operating profit</b>                        | <b>5</b> | <b>882</b>    | <b>1,960</b>  |
| Interest payable and similar expenses          | 9        | (108)         | (36)          |
| Amounts written off investments                |          | -             | (426)         |
| Profit on sale of freehold property            |          | -             | 217           |
| Cost of guarantees given                       |          | (442)         |               |
| Loan impairment                                |          | (250)         |               |
| <b>Profit before taxation</b>                  |          | <b>82</b>     | <b>1,715</b>  |
| Tax on profit                                  | 10       | 181           | (323)         |
| <b>Profit for the financial year</b>           |          | <b>263</b>    | <b>1,392</b>  |
| <b>Other comprehensive income</b>              |          |               |               |
| Currency translation differences               |          | 120           | 25            |
| <b>Total comprehensive income for the year</b> |          | <b>383</b>    | <b>1,417</b>  |

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# OSL GROUP HOLDINGS LIMITED

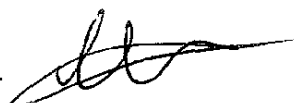
## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2022

|  | Notes | 2022<br>£'000  | 2021<br>£'000  |
|--|-------|----------------|----------------|
| <b>Fixed assets</b>  |       |                |                |
| Goodwill   | 12    | 1,016          | -              |
| Other intangible assets  | 12    | 32             | -              |
| <b>Total intangible assets</b>                                 |       | <b>1,048</b>   | <b>-</b>       |
| Tangible assets  | 13    | 1,935          | 1,262          |
|  |       | <b>2,983</b>   | <b>1,262</b>   |
| <b>Current assets</b>  |       |                |                |
| Stocks   | 15    | 10,208         | 7,562          |
| Debtors  | 16    | 8,176          | 6,791          |
| Cash at bank and in hand                                       |       | 610            | 885            |
|  |       | <b>18,994</b>  | <b>15,238</b>  |
| <b>Creditors: amounts falling due within one year</b>          | 17    | <b>(9,631)</b> | <b>(5,266)</b> |
| <b>Net current assets</b>                                      |       | <b>9,363</b>   | <b>9,972</b>   |
| <b>Total assets less current liabilities</b>                   |       | <b>12,346</b>  | <b>11,234</b>  |
| <b>Creditors: amounts falling due after more than one year</b> | 18    | <b>(1,885)</b> | <b>(655)</b>   |
| <b>Provisions for liabilities</b>                              |       |                |                |
| Deferred tax liability   | 21    | 36             | 120            |
|  |       | <b>(36)</b>    | <b>(120)</b>   |
| <b>Net assets</b>  |       | <b>10,425</b>  | <b>10,459</b>  |
| <b>Capital and reserves</b>                                    |       |                |                |
| Called up share capital  | 23    | 301            | 301            |
| Profit and loss reserves                                       |       | 10,124         | 10,158         |
| <b>Total equity</b>  |       | <b>10,425</b>  | <b>10,459</b>  |

The financial statements were approved by the board of directors and authorised for issue on 7 June 2023 and are signed on its behalf by:

M Grey  
Director



# OSL GROUP HOLDINGS LIMITED

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

|   | Notes | 2022<br>£'000 | 2021<br>£'000 | 2021<br>£'000 |
|---|-------|---------------|---------------|---------------|
| <b>Fixed assets</b>                                     |       |               |               |               |
| Tangible assets   | 13    |               | 15            | 55            |
| Investments   | 14    |               | 4,928         | 2,290         |
|   |       |               | <u>4,943</u>  | <u>2,345</u>  |
| <b>Current assets</b>                                   |       |               |               |               |
| Debtors - deferred tax                                  | 21    | 160           | -             |               |
| Debtors - other   | 16    | 2,338         | 2,267         |               |
|   |       | <u>2,498</u>  | <u>2,267</u>  |               |
| Creditors: amounts falling due within one year          | 17    | (2,888)       | (377)         |               |
| <b>Net current (liabilities)/assets</b>                 |       |               | <u>(390)</u>  | <u>1,890</u>  |
| <b>Total assets less current liabilities</b>            |       |               | <u>4,553</u>  | <u>4,235</u>  |
| Creditors: amounts falling due after more than one year | 18    |               | (1,582)       | (587)         |
| <b>Provisions for liabilities</b>                       |       |               |               |               |
| Deferred tax liability                                  | 21    | -             | 2             | (2)           |
|   |       | <u>-</u>      | <u>-</u>      | <u>(2)</u>    |
| <b>Net assets</b>                                       |       |               | <u>2,971</u>  | <u>3,646</u>  |
| <b>Capital and reserves</b>                             |       |               |               |               |
| Called up share capital                                 | 23    |               | 301           | 301           |
| Profit and loss reserves                                |       |               | 2,670         | 3,345         |
| <b>Total equity</b>                                     |       |               | <u>2,971</u>  | <u>3,646</u>  |

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £258,000 (2021 - £672,000 profit).

The financial statements were approved by the board of directors and authorised for issue on 7 June 2023 and are signed on its behalf by:

M Grey  
Director



Company Registration No. 04507446

# OSL GROUP HOLDINGS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

|  | Notes | Share capital<br>£'000 | Profit and loss<br>reserves<br>£'000 | Total<br>£'000 |
|--|-------|------------------------|--------------------------------------|----------------|
| <b>Balance at 1 January 2021</b>               |       | 301                    | 9,334                                | 9,635          |
| <b>Year ended 31 December 2021:</b>            |       |                        |                                      |                |
| Profit for the year                            |       | -                      | 1,392                                | 1,392          |
| Other comprehensive income:                    |       |                        |                                      |                |
| Currency translation differences               |       | -                      | 25                                   | 25             |
| <b>Total comprehensive income for the year</b> |       | -                      | 1,417                                | 1,417          |
| Dividends                                      | 11    | -                      | (518)                                | (518)          |
| Own shares acquired                            |       | -                      | (75)                                 | (75)           |
| <b>Balance at 31 December 2021</b>             |       | 301                    | 10,158                               | 10,459         |
| <b>Year ended 31 December 2022:</b>            |       |                        |                                      |                |
| Profit for the year                            |       | -                      | 263                                  | 263            |
| Other comprehensive income:                    |       |                        |                                      |                |
| Currency translation differences               |       | -                      | 120                                  | 120            |
| <b>Total comprehensive income for the year</b> |       | -                      | 383                                  | 383            |
| Dividends                                      | 11    | -                      | (417)                                | (417)          |
| <b>Balance at 31 December 2022</b>             |       | 301                    | 10,124                               | 10,425         |

# OSL GROUP HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

|   |       | Share<br>capital | Profit and<br>loss<br>reserves | Total |
|---|-------|------------------|--------------------------------|-------|
|   | Notes | £'000            | £'000                          | £'000 |
| <b>Balance at 1 January 2021</b>                          |       | 301              | 3,268                          | 3,567 |
| <b>Year ended 31 December 2021:</b>                       |       |                  |                                |       |
| <i>Profit and total comprehensive income for the year</i> |       | -                | 672                            | 672   |
| Dividends   | 11    | -                | (518)                          | (518) |
| Own shares acquired                                       |       | -                | (75)                           | (75)  |
| <b>Balance at 31 December 2021</b>                        |       | 301              | 3,345                          | 3,646 |
| <b>Year ended 31 December 2022:</b>                       |       |                  |                                |       |
| <i>Loss and total comprehensive income for the year</i>   |       | -                | (258)                          | (258) |
| Dividends   | 11    | -                | (417)                          | (417) |
| <b>Balance at 31 December 2022</b>                        |       | 301              | 2,670                          | 2,971 |

# OSL GROUP HOLDINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

|   |       | 2022    |         | 2021    |         |
|---|-------|---------|---------|---------|---------|
|   | Notes | £'000   | £'000   | £'000   | £'000   |
| <b>Cash flows from operating activities</b>                   |       |         |         |         |         |
| Cash absorbed by operations                                   | 32    |         | (566)   |         | (114)   |
| Interest paid   |       |         | (108)   |         | (36)    |
| Income taxes paid   |       |         | (313)   |         | (101)   |
| <b>Net cash outflow from operating activities</b>             |       |         | (987)   |         | (251)   |
| <b>Investing activities</b>                                   |       |         |         |         |         |
| Purchase of intangible assets                                 |       | (34)    |         | -       |         |
| Purchase of tangible fixed assets                             |       | (794)   |         | (314)   |         |
| Proceeds from disposal of tangible fixed assets               |       | 62      |         | 961     |         |
| Purchase of subsidiaries, net of cash acquired                |       | (2,550) |         | -       |         |
| Purchase of investments                                       |       | -       |         | (426)   |         |
| <b>Net cash (used in)/generated from investing activities</b> |       |         | (3,316) |         | 221     |
| <b>Financing activities</b>                                   |       |         |         |         |         |
| Purchase of treasury shares                                   |       | -       |         | (75)    |         |
| Proceeds from new bank loans                                  |       | 2,000   |         | -       |         |
| Repayment of bank loans                                       |       | (562)   |         | (1,229) |         |
| Payment of finance leases obligations                         |       | (61)    |         | (70)    |         |
| Dividends paid to equity shareholders                         |       | (417)   |         | (518)   |         |
| <b>Net cash generated from/(used in) financing activities</b> |       |         | 960     |         | (1,892) |
| <b>Net decrease in cash and cash equivalents</b>              |       |         | (3,343) |         | (1,922) |
| Cash and cash equivalents at beginning of year                |       |         | 722     |         | 2,619   |
| Effect of foreign exchange rates                              |       |         | 120     |         | 25      |
| <b>Cash and cash equivalents at end of year</b>               |       |         | (2,501) |         | 722     |
| <b>Relating to:</b>   |       |         |         |         |         |
| Cash at bank and in hand                                      |       |         | 610     |         | 885     |
| Bank overdrafts included in creditors payable within one year |       |         | (3,111) |         | (163)   |

# OSL GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

---

### 1 Accounting policies

#### Company information

OSL Group Holdings Limited ("the Company") is a private company domiciled and incorporated in England and Wales and is limited by shares. The registered office is c/o OSL Cutting Technologies Ltd, Burgess Road, Attercliffe, Sheffield, S9 3WD.

The Group consists of OSL Group Holdings Limited and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

#### 1.2 Business combinations

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

#### 1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company OSL Group Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.



# OSL GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

#### 1.6 Research and development expenditure

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

#### 1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is up to 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.8 Intangible fixed assets other than goodwill

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

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

|          |                   |
|----------|-------------------|
| Software | 33% straight line |
|----------|-------------------|

#### 1.9 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

|                        |                        |
|------------------------|------------------------|
| Leasehold improvements | Life of the lease      |
| Plant and equipment    | 10 - 50% straight line |
| Fixtures and fittings  | 10 - 50% straight line |
| Motor vehicles         | 20 - 33% straight line |

# OSL GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

##### 1.10 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### 1.11 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

##### 1.12 Stocks

Stocks are stated at the lower of cost or estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

The group uses a standard cost method for stock valuation.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### 1.13 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.14 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

# OSL GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Other financial assets**

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

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# OSL GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

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

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

#### **1.15 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### **1.16 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.17 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.18 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# OSL GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

##### 1.19 Leases

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

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

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

##### 1.20 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

##### 1.21 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

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

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

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

##### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### **Stock provisions**

The group provides for stock in full when the stock levels held exceed 12 months usage. Actual outcomes could vary significantly from these estimates.

##### **Other areas of estimation uncertainty**

The following estimates also have an increased degree of estimation uncertainty, but are not expected to have a significant risk of causing a material adjustment.

##### **Labour overhead absorption**

The group uses various labour and overhead absorption rates when calculating the standard cost for stock. The calculation is based on historical experiences and management estimates/assumptions. Actual outcomes could vary from these estimates.

# OSL GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

|   | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| <b>Turnover analysed by class of business</b>   |               |               |
| Total sales of goods                            | 36,713        | 29,518        |
|   | <u>36,713</u> | <u>29,518</u> |
| <b>Turnover analysed by geographical market</b> |               |               |
| UK  | 18,496        | 14,141        |
| Europe  | 7,696         | 7,260         |
| Rest of world                                   | 10,521        | 8,117         |
|   | <u>36,713</u> | <u>29,518</u> |
| <b>Other revenue</b>                            |               |               |
| Grants received                                 | -             | 22            |
|   | <u>-</u>      | <u>22</u>     |

#### 4 Exceptional item

|                                   | 2022<br>£'000 | 2021<br>£'000 |
|-----------------------------------|---------------|---------------|
| <b>Expenditure</b>                |               |               |
| Cost of guarantees given          | 442           | -             |
| Loan impairment                   | 250           | -             |
| Closure of the Netherlands branch | -             | 198           |
|                                   | <u>692</u>    | <u>198</u>    |

#### Cost of guarantees given

The company provided guarantees to certain suppliers on behalf of a connected company. This exceptional item represents the cost of the obligation to settle the guaranteed liabilities following a liquidator being appointed.

#### Loan impairment

The company also provided a loan to the connected company which is not expected to be recoverable and has therefore been impaired.

# OSL GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 5 Operating profit

|   | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| Operating profit for the year is stated after charging/(crediting): |               |               |
| Exchange gains  | (77)          | (126)         |
| Research and development costs                                      | 75            | 270           |
| Government grants   | -             | (22)          |
| Depreciation of owned tangible fixed assets                         | 466           | 515           |
| Depreciation of tangible fixed assets held under finance leases     | 17            | 38            |
| Profit on disposal of tangible fixed assets                         | (4)           | (1)           |
| Amortisation of intangible assets                                   | 99            | -             |
| Operating lease charges   | 563           | 537           |
|   | <u>563</u>    | <u>537</u>    |

#### 6 Auditor's remuneration

|   | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| Fees payable to the company's auditor and associates:           |               |               |
| <b>For audit services</b>                                       |               |               |
| Audit of the financial statements of the group and company      | 10            | 9             |
| Audit of the financial statements of the company's subsidiaries | 37            | 36            |
|   | <u>47</u>     | <u>45</u>     |

#### 7 Employees

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

|                       | Group<br>2022<br>Number | 2021<br>Number | Company<br>2022<br>Number | 2021<br>Number |
|-----------------------|-------------------------|----------------|---------------------------|----------------|
| Office and management | 101                     | 72             | 6                         | 4              |
| Production            | 116                     | 106            | -                         | -              |
|                       | <u>217</u>              | <u>178</u>     | <u>6</u>                  | <u>4</u>       |

# OSL GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 7 Employees (Continued)

Their aggregate remuneration comprised:

|                       | Group        |              | Company    |            |
|-----------------------|--------------|--------------|------------|------------|
|                       | 2022         | 2021         | 2022       | 2021       |
|                       | £'000        | £'000        | £'000      | £'000      |
| Wages and salaries    | 7,343        | 6,107        | 198        | 116        |
| Social security costs | 691          | 517          | 21         | 9          |
| Pension costs         | 283          | 216          | 16         | 10         |
|                       | <u>8,317</u> | <u>6,840</u> | <u>235</u> | <u>135</u> |

#### 8 Directors' remuneration

|   | 2022      | 2021      |
|---|-----------|-----------|
|   | £'000     | £'000     |
| Remuneration for qualifying services                          | 30        | 40        |
| Company pension contributions to defined contribution schemes | 5         | 4         |
|   | <u>35</u> | <u>44</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

#### 9 Interest payable and similar expenses

|  | 2022       | 2021      |
|--|------------|-----------|
|  | £'000      | £'000     |
| Interest on bank overdrafts and loans                  | 101        | 29        |
| Interest on finance leases and hire purchase contracts | 7          | 7         |
|  | <u>108</u> | <u>36</u> |

#### 10 Taxation

|  | 2022         | 2021       |
|--|--------------|------------|
|  | £'000        | £'000      |
| <b>Current tax</b>                                   |              |            |
| UK corporation tax on profits for the current period | (81)         | 331        |
| Adjustments in respect of prior periods              | (16)         | 15         |
|  | <u>(97)</u>  | <u>346</u> |
| <b>Deferred tax</b>                                  |              |            |
| Origination and reversal of timing differences       | (84)         | (23)       |
|  | <u>(181)</u> | <u>323</u> |



# OSL GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 10 Taxation

(Continued)

The UK corporation tax rate is increasing from 19% to 25% on the 1 April 2023. Therefore the deferred tax assets and liabilities have been revalued to 25% which is now the probable rate they will be realised at.

The actual (credit)/charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

|  | 2022<br>£'000 | 2021<br>£'000 |
|--|---------------|---------------|
| Profit before taxation   | 82            | 1,715         |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%) | 16            | 326           |
| Tax effect of expenses that are not deductible in determining taxable profit                         | 21            | 92            |
| Gains not taxable  | -             | (41)          |
| Effect of change in corporation tax rate   | 9             | -             |
| Permanent capital allowances in excess of depreciation   | (42)          | (9)           |
| Depreciation on assets not qualifying for tax allowances   | 3             | 15            |
| Effect of overseas tax rates   | (14)          | -             |
| Under/(over) provided in prior years   | (16)          | 15            |
| Deferred tax adjustments in respect of prior years   | (8)           | (14)          |
| Enhanced deductions for research and development   | (19)          | (61)          |
| Tax losses acquired  | (131)         | -             |
| Taxation (credit)/charge   | (181)         | 323           |

#### 11 Dividends

|  | 2022<br>£'000 | 2021<br>£'000 |
|--|---------------|---------------|
| Recognised as distributions to equity holders: |               |               |
| Interim paid                                   | 417           | 518           |

# OSL GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 12 Intangible fixed assets

| Group                              | Goodwill<br>£'000 | Negative<br>goodwill<br>£'000 | Software<br>£'000 | Total<br>£'000 |
|------------------------------------|-------------------|-------------------------------|-------------------|----------------|
| <b>Cost</b>                        |                   |                               |                   |                |
| At 1 January 2022                  | 687               | (505)                         | -                 | 182            |
| Additions                          | 1,113             | -                             | 34                | 1,147          |
| At 31 December 2022                | 1,800             | (505)                         | 34                | 1,329          |
| <b>Amortisation and impairment</b> |                   |                               |                   |                |
| At 1 January 2022                  | 687               | (505)                         | -                 | 182            |
| Amortisation charged for the year  | 97                | -                             | 2                 | 99             |
| At 31 December 2022                | 784               | (505)                         | 2                 | 281            |
| <b>Carrying amount</b>             |                   |                               |                   |                |
| At 31 December 2022                | 1,016             | -                             | 32                | 1,048          |
| At 31 December 2021                | -                 | -                             | -                 | -              |

The company had no intangible fixed assets at 31 December 2022 or 31 December 2021.

#### 13 Tangible fixed assets

| Group                              | Leasehold<br>improvements<br>£'000 | Plant and<br>equipment<br>£'000 | Fixtures and<br>fittings<br>£'000 | Motor<br>vehicles<br>£'000 | Total<br>£'000 |
|------------------------------------|------------------------------------|---------------------------------|-----------------------------------|----------------------------|----------------|
| <b>Cost</b>                        |                                    |                                 |                                   |                            |                |
| At 1 January 2022                  | 188                                | 5,286                           | 1,421                             | 185                        | 7,080          |
| Additions                          | 198                                | 556                             | 387                               | 13                         | 1,154          |
| Business combinations              | -                                  | 24                              | 35                                | -                          | 59             |
| Disposals                          | (57)                               | (57)                            | (10)                              | -                          | (124)          |
| Exchange adjustments               | -                                  | 1                               | 6                                 | -                          | 7              |
| At 31 December 2022                | 329                                | 5,810                           | 1,839                             | 198                        | 8,176          |
| <b>Depreciation and impairment</b> |                                    |                                 |                                   |                            |                |
| At 1 January 2022                  | 92                                 | 4,357                           | 1,237                             | 132                        | 5,818          |
| Depreciation charged in the year   | 9                                  | 272                             | 157                               | 45                         | 483            |
| Eliminated in respect of disposals | -                                  | (55)                            | (11)                              | -                          | (66)           |
| Exchange adjustments               | -                                  | -                               | 6                                 | -                          | 6              |
| At 31 December 2022                | 101                                | 4,574                           | 1,389                             | 177                        | 6,241          |
| <b>Carrying amount</b>             |                                    |                                 |                                   |                            |                |
| At 31 December 2022                | 228                                | 1,236                           | 450                               | 21                         | 1,935          |
| At 31 December 2021                | 96                                 | 929                             | 184                               | 53                         | 1,262          |

# OSL GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 13 Tangible fixed assets (Continued)

| Company                                | Plant and<br>equipment<br>£'000 | Fixtures and<br>fittings<br>£'000 | Motor<br>vehicles<br>£'000 | Total<br>£'000 |
|--|---------------------------------|-----------------------------------|----------------------------|----------------|
| <b>Cost</b>                            |                                 |                                   |                            |                |
| At 1 January 2022 and 31 December 2022 | 99                              | 8                                 | 132                        | 239            |
| <b>Depreciation and impairment</b>     |                                 |                                   |                            |                |
| At 1 January 2022                      | 99                              | 6                                 | 79                         | 184            |
| Depreciation charged in the year       | -                               | 1                                 | 39                         | 40             |
| At 31 December 2022                    | 99                              | 7                                 | 118                        | 224            |
| <b>Carrying amount</b>                 |                                 |                                   |                            |                |
| At 31 December 2022                    | -                               | 1                                 | 14                         | 15             |
| At 31 December 2021                    | -                               | 2                                 | 53                         | 55             |

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

|                     | Group<br>2022<br>£'000 | 2021<br>£'000 | Company<br>2022<br>£'000 | 2021<br>£'000 |
|---------------------|------------------------|---------------|--------------------------|---------------|
| Plant and equipment | 487                    | 197           | -                        | -             |

### 14 Fixed asset investments

|                             |       | Group<br>2022<br>£'000 | 2021<br>£'000 | Company<br>2022<br>£'000 | 2021<br>£'000 |
|-----------------------------|-------|------------------------|---------------|--------------------------|---------------|
|                             | Notes |                        |               |                          |               |
| Investments in subsidiaries | 29    | -                      | -             | 4,928                    | 2,290         |

#### Fixed asset investments not carried at market value

Investments are not listed and are held at cost less impairment as their fair value cannot be reliably determined. For details of the subsidiary undertakings see note 29.

# OSL GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 14 Fixed asset investments

(Continued)

| Movements in fixed asset investments   |                        |                   |       |
|--|------------------------|-------------------|-------|
| Company                                | Shares in subsidiaries | Other investments | Total |
|  | £'000                  | £'000             | £'000 |
| <b>Cost or valuation</b>               |                        |                   |       |
| At 1 January 2022                      | 2,290                  | 426               | 2,716 |
| Additions                              | 2,638                  | -                 | 2,638 |
| At 31 December 2022                    | 4,928                  | 426               | 5,354 |
| <b>Impairment</b>                      |                        |                   |       |
| At 1 January 2022 and 31 December 2022 | -                      | 426               | 426   |
| <b>Carrying amount</b>                 |                        |                   |       |
| At 31 December 2022                    | 4,928                  | -                 | 4,928 |
| At 31 December 2021                    | 2,290                  | -                 | 2,290 |

#### 15 Stocks

|                                     | Group  |       | Company |       |
|-------------------------------------|--------|-------|---------|-------|
|                                     | 2022   | 2021  | 2022    | 2021  |
|                                     | £'000  | £'000 | £'000   | £'000 |
| Raw materials and consumables       | 2,495  | 1,696 | -       | -     |
| Work in progress                    | 492    | 374   | -       | -     |
| Finished goods and goods for resale | 6,151  | 4,210 | -       | -     |
| Goods in transit                    | 1,070  | 1,282 | -       | -     |
|                                     | 10,208 | 7,562 | -       | -     |

Included in the above group figures is a stock provision of £1,958,000 (2021 - £1,364,000) to bring the value of stock to the lower of cost and net realisable value.

# OSL GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 16 Debtors

|  | Group<br>2022<br>£'000 | 2021<br>£'000 | Company<br>2022<br>£'000 | 2021<br>£'000 |
|--|------------------------|---------------|--------------------------|---------------|
| <b>Amounts falling due within one year:</b>          |                        |               |                          |               |
| Trade debtors  | 7,470                  | 5,915         | -                        | 9             |
| Corporation tax recoverable                          | 150                    | -             | -                        | -             |
| Amounts owed by group undertakings                   | -                      | -             | 2,292                    | 1,825         |
| Other debtors  | 64                     | 362           | 26                       | 333           |
| Prepayments and accrued income                       | 492                    | 414           | 20                       | -             |
|  | <u>8,176</u>           | <u>6,691</u>  | <u>2,338</u>             | <u>2,167</u>  |
| <b>Amounts falling due after more than one year:</b> |                        |               |                          |               |
| Other debtors  | -                      | 100           | -                        | 100           |
| Deferred tax asset (note 21)                         | -                      | -             | 160                      | -             |
|  | <u>-</u>               | <u>100</u>    | <u>160</u>               | <u>100</u>    |
| <b>Total debtors</b>                                 | <u>8,176</u>           | <u>6,791</u>  | <u>2,498</u>             | <u>2,267</u>  |

Included in trade debtors is an amount of £4,787,000 (2021 - £3,562,000) for the group and £nil (2021 - £nil) for the company which is subject to an invoice discounting agreement.

#### 17 Creditors: amounts falling due within one year

|                                    | Notes | Group<br>2022<br>£'000 | 2021<br>£'000 | Company<br>2022<br>£'000 | 2021<br>£'000 |
|------------------------------------|-------|------------------------|---------------|--------------------------|---------------|
| Bank loans and overdrafts          | 19    | 3,777                  | 386           | 1,877                    | 285           |
| Obligations under finance leases   | 20    | 117                    | 53            | -                        | -             |
| Trade creditors                    |       | 3,434                  | 2,788         | 3                        | 2             |
| Amounts owed to group undertakings |       | -                      | -             | 470                      | 15            |
| Corporation tax payable            |       | -                      | 260           | -                        | -             |
| Other taxation and social security |       | 619                    | 366           | 21                       | 6             |
| Other creditors                    |       | 541                    | 50            | 471                      | 11            |
| Accruals and deferred income       |       | 1,143                  | 1,363         | 46                       | 58            |
|                                    |       | <u>9,631</u>           | <u>5,266</u>  | <u>2,888</u>             | <u>377</u>    |

# OSL GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 18 Creditors: amounts falling due after more than one year

|                                  |       | Group        |            | Company      |            |
|----------------------------------|-------|--------------|------------|--------------|------------|
|                                  | Notes | 2022         | 2021       | 2022         | 2021       |
|                                  |       | £'000        | £'000      | £'000        | £'000      |
| Bank loans and overdrafts        | 19    | 1,582        | 587        | 1,582        | 587        |
| Obligations under finance leases | 20    | 303          | 68         | -            | -          |
|                                  |       | <u>1,885</u> | <u>655</u> | <u>1,582</u> | <u>587</u> |

#### 19 Loans and overdrafts

|                         | Group        |            | Company      |            |
|-------------------------|--------------|------------|--------------|------------|
|                         | 2022         | 2021       | 2022         | 2021       |
|                         | £'000        | £'000      | £'000        | £'000      |
| Bank loans              | 2,248        | 810        | 2,248        | 810        |
| Bank overdrafts         | 3,111        | 163        | 1,211        | 62         |
|                         | <u>5,359</u> | <u>973</u> | <u>3,459</u> | <u>872</u> |
| Payable within one year | 3,777        | 386        | 1,877        | 285        |
| Payable after one year  | <u>1,582</u> | <u>587</u> | <u>1,582</u> | <u>587</u> |

included in bank overdrafts is £3,111,000 (2021 - £163,000) for the group and £nil (2021 - £nil) for the company which has been advanced under an invoice discounting arrangement and is secured over the debts to which the finance relates.

Included in bank overdrafts is £nil (2021 - £nil) for the group and £1,211,000 (2021 - £62,000) for the company which has been advanced as an overdraft facility. The group has a offset arrangement where interest is not paid unless there is an overdraft balance which cannot be offset against another group company.

Included in bank loans is an amount advanced of £579,000 (2021 - £811,000). This loan was a Covid business interruption loan with an original amount advanced of £1,500,000 and with an interest rate of 1.99% above the base rate. Repayments were to be made in 50 equal monthly instalments commencing in March 2021. A one off lump sum of £465,000 was paid in the prior period, this has reduced the value of the remaining repayments but has not altered the term of the loan.

Included in bank loans is an amount advanced of £1,669,000 (2021 - £nil). This loan was to finance the purchase of a new subsidiary Securefast Limited with an original amount advanced of £2,000,000 and with an interest rate of 3.19% above the base rate. Repayments were to be made in 35 equal monthly instalments commencing in April 2022 followed by a final repayment to clear the loan.

The loans are secured by a fixed and floating charge over all assets of both the company and the group. The Covid business interruption loan is partially guaranteed by the UK government.

# OSL GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 20 Finance lease obligations

|   | Group<br>2022<br>£'000 | 2021<br>£'000 | Company<br>2022<br>£'000 | 2021<br>£'000 |
|---|------------------------|---------------|--------------------------|---------------|
| Future minimum lease payments due under finance leases: |                        |               |                          |               |
| Within one year   | 130                    | 58            | -                        | -             |
| In two to five years                                    | 337                    | 71            | -                        | -             |
|   | <u>467</u>             | <u>129</u>    | <u>-</u>                 | <u>-</u>      |
| Less: future finance charges                            | (47)                   | (8)           | -                        | -             |
|   | <u>420</u>             | <u>121</u>    | <u>-</u>                 | <u>-</u>      |

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The obligations under finance leases are secured on the tangible fixed assets of the group.

#### 21 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

|                                | Liabilities<br>2022<br>£'000 | Liabilities<br>2021<br>£'000 | Assets<br>2022<br>£'000 | Assets<br>2021<br>£'000 |
|--------------------------------|------------------------------|------------------------------|-------------------------|-------------------------|
| <b>Group</b>                   |                              |                              |                         |                         |
| Accelerated capital allowances | 317                          | 128                          | -                       | -                       |
| Tax losses                     | (267)                        | -                            | -                       | -                       |
| Unrealised group profits       | (14)                         | (8)                          | -                       | -                       |
|                                | <u>36</u>                    | <u>120</u>                   | <u>-</u>                | <u>-</u>                |
|                                |                              |                              |                         |                         |
|                                | Liabilities<br>2022<br>£'000 | Liabilities<br>2021<br>£'000 | Assets<br>2022<br>£'000 | Assets<br>2021<br>£'000 |
| <b>Company</b>                 |                              |                              |                         |                         |
| Accelerated capital allowances | -                            | 2                            | 6                       | -                       |
| Tax losses                     | -                            | -                            | 154                     | -                       |
|                                | <u>-</u>                     | <u>2</u>                     | <u>160</u>              | <u>-</u>                |

# OSL GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 21 Deferred taxation

(Continued)

|                                       | Group<br>2022<br>£'000 | Company<br>2022<br>£'000 |
|---------------------------------------|------------------------|--------------------------|
| <b>Movements in the year:</b>         |                        |                          |
| Liability at 1 January 2022           | 120                    | 2                        |
| Credit to profit or loss              | (84)                   | (162)                    |
| Liability/(Asset) at 31 December 2022 | 36                     | (160)                    |

The deferred tax asset above relates predominantly to tax losses and accelerated capital allowances. The tax losses are expected to reverse within 3 years. The accelerated capital allowances are expected to reverse within 10 years and relates to fixed assets that are expected to depreciate within the same period.

#### 22 Retirement benefit schemes

|  | 2022<br>£'000 | 2021<br>£'000 |
|--|---------------|---------------|
| <b>Defined contribution schemes</b>                                  |               |               |
| Charge to profit and loss in respect of defined contribution schemes | 283           | 216           |

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.



## OSL GROUP HOLDINGS LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 23 Share capital

|                                 | Group and company |                |
|---------------------------------|-------------------|----------------|
|                                 | 2022              | 2021           |
|                                 | £                 | £              |
| Allotted, issued and fully paid |                   |                |
| Ordinary A shares of £1 each    | 225,000           | 225,000        |
| Ordinary B shares of £1 each    | 700               | 700            |
| Ordinary D shares of £1 each    | 74,150            | 74,150         |
| Ordinary F shares of £1 each    | 850               | 850            |
| Ordinary G shares of £1 each    | 50                | 50             |
| Ordinary H shares of £1 each    | 50                | 50             |
| Ordinary I shares of £1 each    | 50                | 50             |
|                                 | <u>300,850</u>    | <u>300,850</u> |

The different share classes of the company rank pari passu save as otherwise stated below:

#### Voting

The A and D shares carry a right to vote.

The B, F, G, H and I shares carry no right to vote.

#### Capital

Upon winding up all share classes rank equally with regards to the repayment of the nominal value of the shares. Following the payment of the nominal value, classes A and D shall have preferential rights to the first £5,000,000 as if they constituted one class of share. Any further amount will then be paid to the A, B, D, F, G, H, and I shareholders as if they constituted one class of share.

Upon sale or transfer drag and tag along rights exist affecting all share classes.

#### Dividends

All share classes may have a right to a dividend by ordinary resolution, subject to a maximum approved by the directors. No share classes have a preferential or fixed right to income.

Further details of the rights, preferences and restrictions attaching to the different classes of shares are available in the articles of association.

# OSL GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 24 Acquisition of a business

On 4 March 2022 the group acquired 100 percent of the issued capital of Securefast Limited.

|   | Book Value<br>£'000 | Adjustments<br>£'000 | Fair Value<br>£'000 |
|---|---------------------|----------------------|---------------------|
| <b>Net assets acquired</b>  |                     |                      |                     |
| Tangible fixed assets   | 59                  | -                    | 59                  |
| Stock   | 1,569               | (301)                | 1,268               |
| Trade and other debtors   | 1,064               | -                    | 1,064               |
| Cash and cash equivalents   | 88                  | -                    | 88                  |
| Trade and other creditors   | (954)               | -                    | (954)               |
| <b>Total identifiable net assets</b>  | <b>1,826</b>        | <b>(301)</b>         | <b>1,525</b>        |
| <b>Goodwill</b>   |                     |                      | <b>1,113</b>        |
| <b>Total consideration</b>  |                     |                      | <b>2,638</b>        |
| The consideration was satisfied by:   |                     |                      | <b>£'000</b>        |
| Cash  |                     |                      | 2,638               |
| Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition: |                     |                      | <b>£'000</b>        |
| Turnover  |                     |                      | 6,089               |
| Profit after tax  |                     |                      | 320                 |

The goodwill arising on the acquisition of the business is attributable to customer lists, various trademarks, intellectual property in the form of developed products and other employee know how.

# OSL GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 25 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

#### Land and buildings

|                            | Group<br>2022<br>£'000 | 2021<br>£'000 | Company<br>2022<br>£'000 | 2021<br>£'000 |
|----------------------------|------------------------|---------------|--------------------------|---------------|
| Within one year            | 568                    | 448           | -                        | -             |
| Between two and five years | 1,278                  | 1,286         | -                        | -             |
| In over five years         | 315                    | 576           | -                        | -             |
|                            | <u>2,161</u>           | <u>2,310</u>  | <u>-</u>                 | <u>-</u>      |

#### Other

|                            | Group<br>2022<br>£'000 | 2021<br>£'000 | Company<br>2022<br>£'000 | 2021<br>£'000 |
|----------------------------|------------------------|---------------|--------------------------|---------------|
| Within one year            | 107                    | 54            | 11                       | 11            |
| Between two and five years | 75                     | 65            | 6                        | 17            |
| In over five years         | -                      | -             | -                        | -             |
|                            | <u>182</u>             | <u>119</u>    | <u>17</u>                | <u>28</u>     |

### 26 Financial commitments, guarantees and contingent liabilities

The company has given an unlimited cross guarantee in favour of Barclays in respect of bank borrowings of fellow group companies. The outstanding borrowings of these companies at 31 December 2022 were £3,224,000 (2021 - £1,191,000).

The company has given an unlimited guarantee over all outstanding liabilities for the companies that it has claimed the audit exemption for under s479, see note 29.

### 27 Capital commitments

Amounts contracted for but not provided in the financial statements:

|                                      | Group<br>2022<br>£'000 | 2021<br>£'000 | Company<br>2022<br>£'000 | 2021<br>£'000 |
|--------------------------------------|------------------------|---------------|--------------------------|---------------|
| Acquisition of tangible fixed assets | <u>1,353</u>           | <u>275</u>    | <u>-</u>                 | <u>-</u>      |

A group wide asset finance facility is in place to assist with the purchase of the above.

## OSL GROUP HOLDINGS LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 28 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

|                        | 2022<br>£'000 | 2021<br>£'000 |
|------------------------|---------------|---------------|
| Aggregate compensation | 35            | 44            |

The directors consider the key management personnel of the company and group to only include the directors.

##### Transactions with related parties

##### Other information

During the year the group entered into the following related party transactions.

Purchased goods for £4,000 (2021 - £21,000) from an entity under common control.

During the year the group entered into the following transactions with The OSL Pension Fund, of which some of the directors are trustees.

Rent of £213,000 (2021 - £170,000) was paid to the pension fund.

Fixed assets were sold at a market value of £57,000 (2021 - £960,000) to the pension fund.

At the balance sheet date an amount of £41,000 (2021 - £41,000) was owed to the pension fund.

# OSL GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 29 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

| Name of undertaking and country of incorporation or residency | Nature of business  | Class of shareholding | % Held |          |
|---|---|-----------------------|--------|----------|
|   |   |                       | Direct | Indirect |
| British Springs Limited UK                                    | Dormant   | Ordinary              | 100    | -        |
| CQR Security Limited UK                                       | Fire safety and security                                  | Ordinary              | 100    | -        |
| G&J Hall Limited UK   | Dormant   | Ordinary              | 100    | -        |
| Universal Drilling & Cutting Equipment Inc USA                | Distributor of magnetic drills                            | Ordinary              | -      | 100      |
| Neepsend Limited UK   | Dormant   | Ordinary              | 100    | -        |
| OSL Cutting Technologies Limited UK                           | Magnetic drills   | Ordinary              | 100    | -        |
| Owen Springs Limited*** UK                                    | Automotive aftermarket                                    | Ordinary              | 100    | -        |
| Rotabroach Limited UK   | Dormant   | Ordinary              | -      | 100      |
| Toolfit Trading Limited*** UK                                 | Tool retailer   | Ordinary              | 100    | -        |
| Taylor and Jones Limited UK                                   | Dormant   | Ordinary              | -      | 100      |
| UIOH Limited UK   | Dormant   | Ordinary              | 100    | -        |
| United Industries Operations Limited UK                       | Dormant   | Ordinary              | -      | 100      |
| Securefast Limited UK   | Wholesale of other intermediate products                  | Ordinary              | 100    | -        |
| Securefast Security Products IE Limited                       | Wholesale and installation of other intermediate products | Ordinary              | -      | 100      |

\*\*\* Subsidiary undertaking claimed exemption from audit under s479A Companies Act 2006

All subsidiaries have been consolidated using the acquisition method in the parent company.

As the subsidiaries are not listed, the investments are held at cost less impairment as their fair values cannot be reliably determined.

### 30 Directors' transactions

Dividends of £417,000 (2021 - £518,000) were paid to directors of the company or their family members.

£29,000 (2021 - £11,000) of the above dividends are unpaid and are included as a creditor at the balance sheet date.

### 31 Controlling party

The controlling party is D Grey MBE, who is a director and majority shareholder of OSL Group Holdings Limited.

# OSL GROUP HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 32 Cash absorbed by operations - group

|  | 2022<br>£'000 | 2021<br>£'000 |
|--|---------------|---------------|
| Profit for the year after tax                        | 263           | 1,392         |
| <b>Adjustments for:</b>                              |               |               |
| Taxation (credited)/charged                          | (181)         | 323           |
| Finance costs  | 108           | 36            |
| Gain on disposal of tangible fixed assets            | (4)           | (1)           |
| Fair value gain on foreign exchange contracts        | -             | (217)         |
| Amortisation and impairment of intangible assets     | 99            | -             |
| Depreciation and impairment of tangible fixed assets | 469           | 553           |
| Other gains and losses                               | -             | 426           |
| Non cash exceptional items                           | 692           | -             |
| <b>Movements in working capital:</b>                 |               |               |
| Increase in stocks                                   | (1,378)       | (1,428)       |
| Increase in debtors                                  | (421)         | (1,115)       |
| Decrease in creditors                                | (213)         | (83)          |
| <b>Cash absorbed by operations</b>                   | <u>(566)</u>  | <u>(114)</u>  |

### 33 Analysis of changes in net debt - group

|  | 2022<br>£'000  |
|--|----------------|
| <b>Opening net funds/(debt)</b>            |                |
| Cash and cash equivalents                  | 722            |
| Loans                                      | (810)          |
| Obligations under finance leases           | (121)          |
|  | <u>(209)</u>   |
| <b>Changes in net debt arising from:</b>   |                |
| Cash flows of the entity                   | (2,170)        |
| Acquisition and disposal of subsidiaries   | (2,550)        |
| New finance leases entered into            | (360)          |
| Changes in market value and exchange rates | 120            |
|  | <u>(5,169)</u> |
| Closing net debt as analysed below         | <u>(5,169)</u> |
| <b>Closing net debt</b>                    |                |
| Cash and cash equivalents                  | (2,501)        |
| Loans                                      | (2,248)        |
| Obligations under finance leases           | (420)          |
|  | <u>(5,169)</u> |