

TBD (Owen Holland) Limited
Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 31 March 2023

DIRECTORS:

V L Heycock
R Kishor
S C Meredith
H Peleman
P L Summers
S G Williams

SECRETARY:

D E Bradshaw

REGISTERED OFFICE:

Waterton House
Broadcastle Avenue
Waterton Industrial Estate
Bridgend
CF31 3US

REGISTERED NUMBER:

04801056 (England and Wales)

**SENIOR STATUTORY
AUDITOR:**

Andrew Miller FCA

AUDITORS:

BPU Limited
Chartered Accountants
Statutory Auditor
Radnor House
Greenwood Close
Cardiff Gate Business Park
Cardiff
CF23 8AA

**Strategic Report
for the Year Ended 31 March 2023**

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

REVIEW OF BUSINESS

The business has experienced a significant year on year increase in turnover following the Covid 19 pandemic. Turnover has increased by 41% from the previous financial year and by 75% on the 2020/21 financial year. This is set to increase another 50% in the financial year ending March 2024, which will be a record for TBD and reflective of the bounceback the airline sector is currently enjoying.

The company has been impacted in the current financial year by the increase in costs in raw materials, mainly due to the rippling effects of the war on Ukraine. This has had an impact on the gross margin as those costs weren't passed on to customers as quickly.

Product innovation has been important in the current and previous financial years, which have led to successful product launches, in both passenger stairs and cargo loaders. Investments in these designs are of strategic importance to the business to ensure ongoing revenue streams in the years ahead. This, together with investments in laser machinery and robotic welding will greatly improve margins in the FY2024 and beyond.

To facilitate the growth, the Management Team is currently being strengthened to allow customers first class service and products.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and execution of strategy are subject to a number of risks. Key business risks principally relate to market competition, both from a national and international perspective. Business risks are reviewed regularly by the directors and appropriate processes are put in place to monitor and mitigate their impact.

FINANCIAL POSITION

The financial position of the company is set out in the balance sheet on page 12.

KEY PERFORMANCE INDICATORS (KPIs)

The directors consider that KPI's of the business relate to turnover and operating profit.

**Strategic Report
for the Year Ended 31 March 2023**

GOING CONCERN AND IMPACT OF COVID-19

As the country and world are emerging out of COVID and all final restrictions, the world has faced another great uncertainty with the rippling effects of the war on Ukraine. To date the business has met the challenges brought about by the global situation and having reviewed the funding currently available the Directors are satisfied it is adequate to meet its operational requirements and have therefore concluded it is appropriate to prepare these financial statements on the going concern basis.

The damage caused to the Aviation sector by the impact of COVID 19 is well documented and TBD has been affected like most companies in the supply chain. The global instability and increasing material prices due to the war on Ukraine are also affecting every business. However, with a vastly reduced cost base and a more automated production process now in place, business improvements have lead to increased competitiveness. Demand is steadily increasing and the business is well placed to grow substantially in the current year and beyond.

The Company has a strong relationship with its funders and has sufficient working capital to meet its current requirements.

ON BEHALF OF THE BOARD:

S C Meredith - Director

22 December 2023

**Report of the Directors
for the Year Ended 31 March 2023**

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the design, manufacture and installation of aircraft ground support equipment and specialist access solutions.

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2023 was £nil (2022: £nil).

FUTURE DEVELOPMENTS

The directors carry out a strategic review of the business on an annual basis and consider that it is well positioned to take advantage of business opportunities as demand increases in FY2023/24 and further in FY2024/25. Costs are under strict control and the facilities available are seen as adequate for trade anticipated during this period. A focus on sales in the sectors that have shown to be resilient is in place and success in sales of newly developed products to existing customers has been made.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

V L Heycock
R Kishor
S C Meredith
H Peleman
P L Summers
S G Williams

Other changes in directors holding office are as follows:

J Attfield - resigned 29 November 2022

**Report of the Directors
for the Year Ended 31 March 2023**

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include the effect of changes in market prices, credit risk, liquidity risk and interest rate cash flow risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. In addition the company has a diverse product portfolio which reduces reliance on any one business sector.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policy set by the board of directors is implemented by the company's finance department.

Price risk

The company is not exposed to any significant commodity price risk.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure of any individual counterparty is subject to a limit which is assessed regularly by the board.

Liquidity, interest rate cash flow risk

The company actively monitors and forecasts its liquidity and cash flow position to ensure sufficient funds are available to fund all current and forecast activities.

RESEARCH AND DEVELOPMENT

The company invests in research and development to expand its product offering and incurred £398,203 (2022: £751,334) of expenditure during the year which has been capitalised.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Report of the Directors
for the Year Ended 31 March 2023**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

THIS REPORT WAS APPROVED BY THE BOARD:

S C Meredith - Director

22 December 2023

Opinion

We have audited the financial statements of TBD (Owen Holland) Limited (the 'company') for the year ended 31 March 2023 which comprise the Profit & Loss Account, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Statement of Directors' Responsibilities set out on page five, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risks of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment.

The laws and regulations that we determined were most significant to the company were the Companies Act, UK corporate tax laws, Employment Rights Act, Health and Safety regulations and ISO9001 Quality Management System standard.

We obtained an understanding of how the company is complying with those laws and regulations by making enquiries to the management, and corroborated these enquiries through our review of board minutes and review of legal and professional spend for the year.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, and did not identify any key audit matters relating to irregularities, including fraud. We assessed the effectiveness of internal controls that management has in place to prevent and detect fraud, including testing of manual journals and evaluating the assumptions and judgements made by management in its significant accounting estimates.

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

Use of our report

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

Andrew Miller FCA (Senior Statutory Auditor)
for and on behalf of BPU Limited
Chartered Accountants
Statutory Auditor

22 December 2023

Profit & Loss Account
for the Year Ended 31 March 2023

	Notes	2023 £	2022 £
TURNOVER	3	8,478,074	5,999,082
Cost of sales		<u>(6,041,639)</u>	<u>(3,437,051)</u>
GROSS PROFIT		2,436,435	2,562,031
Distribution costs		(266,116)	(103,297)
Administrative expenses		<u>(2,532,008)</u>	<u>(2,299,625)</u>
		(361,689)	159,109
Other operating income	4	<u>332,955</u>	<u>367,592</u>
OPERATING (LOSS)/PROFIT	6	(28,734)	526,701
Income from legal settlement	7	715,000	-
Costs of legal settlement	7	<u>(302,015)</u>	<u>-</u>
		384,251	526,701
Interest payable and similar expenses	8	<u>(373,825)</u>	<u>(238,425)</u>
PROFIT BEFORE TAXATION		10,426	288,276
Tax on profit	9	<u>(261,100)</u>	<u>(100,672)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(250,674)	187,604
OTHER COMPREHENSIVE INCOME			
Revaluation		1,078,270	-
Income tax relating to other comprehensive income		-	29,783
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		1,078,270	29,783
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		827,596	217,387

The notes form part of these financial statements

Balance Sheet
31 March 2023

		2023		2022	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	10		2,946,714		2,948,184
Tangible assets	11		4,171,205		3,062,566
			7,117,919		6,010,750
CURRENT ASSETS					
Stocks	12	2,152,108		2,155,263	
Debtors	13	2,316,987		3,836,449	
Cash at bank		701,530		266,961	
		5,170,625		6,258,673	
CREDITORS					
Amounts falling due within one year	14	4,615,368		5,484,974	
NET CURRENT ASSETS			555,257		773,699
TOTAL ASSETS LESS CURRENT LIABILITIES			7,673,176		6,784,449
CREDITORS					
Amounts falling due after more than one year	15		(1,792,452)		(1,992,421)
PROVISIONS FOR LIABILITIES	19		(853,657)		(592,557)
NET ASSETS			5,027,067		4,199,471
CAPITAL AND RESERVES					
Called up share capital	20		222		222
Share premium			29,878		29,878
Revaluation reserve			1,078,270		-
Retained earnings			3,918,697		4,169,371
SHAREHOLDERS' FUNDS			5,027,067		4,199,471

The notes form part of these financial statements

Balance Sheet - continued
31 March 2023

The financial statements were approved by the Board of Directors and authorised for issue on 22 December 2023 and were signed on its behalf by:

S C Meredith - Director

**Statement of Changes in Equity
for the Year Ended 31 March 2023**

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 April 2021	222	3,764,767	29,878	187,217	3,982,084
Changes in equity					
Total comprehensive income	-	187,604	-	29,783	217,387
Transfer	-	217,000	-	(217,000)	-
Balance at 31 March 2022	222	4,169,371	29,878	-	4,199,471
Changes in equity					
Total comprehensive income	-	(250,674)	-	1,078,270	827,596
Balance at 31 March 2023	222	3,918,697	29,878	1,078,270	5,027,067

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 March 2023**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Financial Reporting Standard 102 - reduced disclosure exemptions

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

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

This is on the basis that this will be included within the consolidated accounts of TBD Owen Holland Holdings Limited, the ultimate controlling parent.

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

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

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue in relation to construction contracts is recognised in the accounting period in which the services are rendered when the outcome of contract can be estimated reliably. The company uses the percentage of completion method based on the actual service performed as a percentage of the total services to be provided. The amount by which revenue recognised exceeds invoiced sales, is shown under debtors as amounts recoverable on contracts.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives as follows:

Development costs - 10 years

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

Amortisation is charged to Administrative expenses in the statement of comprehensive income. Amortisation is not charged in the period of capitalisation.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicated that the carrying amount may be impaired.

Research costs are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the asset so that it will be available for use;
- Management intends to complete the asset and to use or sell it;
- There is an ability to use or sell the asset;
- It can be demonstrated how the asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the asset are available; and
- The expenditure attributable to the asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% straight line
Plant and machinery	- 15% straight line
Fixtures and fittings	- 25% straight line

Freehold land is not depreciated.

Stocks

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

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

1. ACCOUNTING POLICIES - continued

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

The company claims an R&D rebate and as such discloses the refund due as other operating income.

Deferred tax

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

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

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

Foreign currencies

(i) Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the date of the transactions.

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit & Loss Account.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

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

Pension costs

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

Government grants

Government grants in respect of capital expenditure are released to the statement of comprehensive income over the estimated useful life of the asset acquired. Grants in respect of revenue expenditure are released so as to match the grant with the relevant cost.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCER

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 reviewed if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

(i) Useful economic lives of intangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives of the assets. The useful economic lives are re-assessed and amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets.

(ii) Inventory provisioning

The company designs, manufactures and installs aircraft ground support equipment and specialist access solutions. As a result, it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 12 for the net carrying amount of the inventory and associated provision.

(iii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

(iv) Development costs

Development costs are capitalised when they meet certain criteria as set out on page 16. Management has to exercise judgement in the assessment of criteria as well as when considering the asset lives which drive the amortisation policy.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	2023	2022
	£	£
United Kingdom	3,897,646	1,123,198
Rest of Europe	2,672,529	4,274,964
Rest of World	1,907,899	600,920
	<u>8,478,074</u>	<u>5,999,082</u>

4. OTHER OPERATING INCOME

	2023	2022
	£	£
R&D tax credit	104,623	218,585
Profit on sale of scrap	25,479	5,739
Rental income	14,500	11,370
Grant income	188,353	131,898
	<u>332,955</u>	<u>367,592</u>

The company claims an R&D rebate and as such discloses the refund due as other operating income.

5. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	1,873,281	1,283,510
Social security costs	196,621	121,711
Other pension costs	127,614	79,662
	<u>2,197,516</u>	<u>1,484,883</u>

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

	2023	2022
Administration	26	24
Production	40	28
	<u>66</u>	<u>52</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

5. EMPLOYEES AND DIRECTORS - continued

	2023	2022
	£	£
Directors' remuneration	291,519	374,273
Directors' pension contributions to money purchase schemes	18,223	20,224
Compensation to director for loss of office	<u>16,000</u>	<u>-</u>

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

Money purchase schemes	<u>5</u>	<u>5</u>
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Information regarding the highest paid director is as follows:

	2023	2022
	£	£
Emoluments etc	75,306	96,332
Pension contributions to money purchase schemes	<u>2,348</u>	<u>2,346</u>

Staff costs capitalised into tangible and intangible fixed assets amount to £342,653 (2022: £504,689).

6. OPERATING (LOSS)/PROFIT

The operating loss (2022 - operating profit) is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation - owned assets	95,192	61,120
Depreciation - assets on finance leases	146,103	104,222
Profit on disposal of fixed assets	(10,951)	(18,028)
Research & development amortisation	399,673	323,843
Auditors' remuneration	18,000	16,000
Auditors' remuneration for non audit work	5,175	3,092
Foreign exchange differences	(68,017)	373,734
Inventory recognised as an expense	4,645,178	2,597,255
Government grant received and amortised	(188,353)	(131,898)
Hire of plant & machinery	<u>-</u>	<u>13,753</u>

7. LEGAL SETTLEMENT

	2023	2022
	£	£
Income from legal settlement	715,000	-
Costs of legal settlement	<u>(302,015)</u>	<u>-</u>
	<u>412,985</u>	<u>-</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

A legal dispute was settled during the year, with the company being awarded a settlement of £715,000 and paying legal costs of £302,015.

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Bank interest	38,633	19,407
Loan interest	168,880	87,238
Other interest	142,181	104,533
Hire purchase	24,131	27,247
	<u>373,825</u>	<u>238,425</u>

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2023	2022
	£	£
Deferred tax	261,100	100,672
Tax on profit	<u>261,100</u>	<u>100,672</u>

Reconciliation of total tax charge included in profit and loss

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

	2023	2022
	£	£
Profit before tax	<u>10,426</u>	<u>288,276</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	1,981	54,772
Effects of:		
Expenses not deductible for tax purposes	8,982	(4,028)
Income not taxable for tax purposes	(19,878)	(41,531)
Capital allowances in excess of depreciation	-	(52,621)
Depreciation in excess of capital allowances	46,598	-
Utilisation of tax losses adjustment	(37,683)	13,538
Deferred tax movement	261,100	100,672
Capital gain	-	29,870
Total tax charge	<u>261,100</u>	<u>100,672</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

9. TAXATION - continued

Tax effects relating to effects of other comprehensive income		
	2023	
	Gross £	Net £
Revaluation	<u>1,078,270</u>	<u>1,078,270</u>
	2022	
	Gross £	Net £
Revaluation	<u>-</u>	<u>29,783</u>

10. INTANGIBLE FIXED ASSETS

	Research & development £
COST	
At 1 April 2022	4,943,820
Additions	398,203
At 31 March 2023	<u>5,342,023</u>
AMORTISATION	
At 1 April 2022	1,995,636
Amortisation for year	399,673
At 31 March 2023	<u>2,395,309</u>
NET BOOK VALUE	
At 31 March 2023	<u>2,946,714</u>
At 31 March 2022	<u>2,948,184</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

11. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST OR VALUATION				
At 1 April 2022	2,902,938	1,115,854	140,270	4,159,062
Additions	-	257,272	14,392	271,664
Revaluations	397,062	-	-	397,062
At 31 March 2023	<u>3,300,000</u>	<u>1,373,126</u>	<u>154,662</u>	<u>4,827,788</u>
DEPRECIATION				
At 1 April 2022	623,019	375,357	98,120	1,096,496
Charge for year	58,189	161,292	21,814	241,295
Revaluation adjustments	(681,208)	-	-	(681,208)
At 31 March 2023	<u>-</u>	<u>536,649</u>	<u>119,934</u>	<u>656,583</u>
NET BOOK VALUE				
At 31 March 2023	<u>3,300,000</u>	<u>836,477</u>	<u>34,728</u>	<u>4,171,205</u>
At 31 March 2022	<u>2,279,919</u>	<u>740,497</u>	<u>42,150</u>	<u>3,062,566</u>

Cost or valuation at 31 March 2023 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
Valuation in 2023	397,062	-	-	397,062
Cost	2,902,938	1,373,126	154,662	4,430,726
	<u>3,300,000</u>	<u>1,373,126</u>	<u>154,662</u>	<u>4,827,788</u>

If freehold property had not been revalued it would have been included at the following historical cost:

	2023 £	2022 £
Cost	2,902,938	-
Aggregate depreciation	<u>681,208</u>	<u>-</u>

Freehold land and buildings were valued on an open market basis on 31 March 2023 by Cushman & Wakefield plc.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

11. TANGIBLE FIXED ASSETS - continued

There would be no tax payable if the freehold property was sold at its revalued amount because the gain would be covered by indexation allowance.

The net book value of assets held under finance leases or hire purchase contracts are £269,082 (2022: £377,905).

12. STOCKS

	2023	2022
	£	£
Raw materials	680,107	721,541
Work-in-progress	420,057	629,341
Finished goods	1,051,944	804,381
	<u>2,152,108</u>	<u>2,155,263</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock is stated after provisions for impairment of £nil (2022: £nil).

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	865,451	1,628,465
Amounts owed by group undertakings	967,924	904,073
Other debtors	173,832	367,014
Directors' loan accounts	-	108,914
VAT	-	337,647
Prepayments and accrued income	309,780	490,336
	<u>2,316,987</u>	<u>3,836,449</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 16)		
	317,732	986,709
Other loans (see note 16)	1,343,304	2,142,513
Finance leases (see note 17)	278,552	178,235
Trade creditors	1,611,677	1,995,973
Amounts owed to group undertakings	3,232	3,232
Social security and other taxes	38,622	71,376
VAT	193,472	-
Other creditors	780,218	31,936
Directors' loan accounts	48,559	75,000
	<u>4,615,368</u>	<u>5,484,974</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loans (see note 16)	1,333,001	1,631,890
Other loans (see note 16)	282,240	240,178
Finance leases (see note 17)	177,211	120,353
	<u>1,792,452</u>	<u>1,992,421</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	642,027
Bank loans	317,732	344,682
Other loans	1,343,304	2,142,513
	<u>1,661,036</u>	<u>3,129,222</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	1,030,305	1,294,519
Other loans - 2-5 years	282,240	240,178
	<u>1,312,545</u>	<u>1,534,697</u>

Amounts falling due in more than five years:

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

16. LOANS - continued

	2023	2022
	£	£
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>302,696</u>	<u>337,371</u>

The above liabilities comprise bank and other loans repayable by instalments on various terms agreed with the lenders. The interest rates applicable are between 2.25% above the Bank of England base rate and 33.36%.

The aggregate monthly payment of the loans is £79,874 and the remaining term on the loans is between 12 months and 6.5 years from the balance sheet date.

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases	
	2023	2022
	£	£
Net obligations repayable:		
Within one year	278,552	178,235
Between one and five years	<u>177,211</u>	<u>120,353</u>
	<u>455,763</u>	<u>298,588</u>
	Non-cancellable	operating
	2023	2022
	£	£
Within one year	1,501	2,411
Between one and five years	<u>1,704</u>	<u>3,205</u>
	<u>3,205</u>	<u>5,616</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

18. SECURED DEBTS

The following secured debts are included within creditors:

	2023	2022
	£	£
Bank overdraft	-	642,027
Bank loans	1,650,733	1,976,572
Finance leases	455,763	298,588
Other loans	1,128,233	2,096,209
	<u>3,234,729</u>	<u>5,013,396</u>

Bank overdraft and loan borrowings are secured as follows:

- A first legal charge over freehold land and buildings
- Personal guarantee from Mr Steven Meredith for £350,000
- Fixed and floating charge over the assets of the group.

Other loans are secured as follows:

- A fixed and floating charge over the assets of the group.
- Trade debtors.
- Personal guarantee from Mr Steven Meredith

The finance lease contracts are secured over the assets to which they relate.

19. PROVISIONS FOR LIABILITIES

	2023	2022
	£	£
Deferred tax	<u>853,657</u>	<u>592,557</u>
		Deferred tax
		£
Balance at 1 April 2022		592,557
Provided during year		<u>261,100</u>
Balance at 31 March 2023		<u>853,657</u>

The provision for deferred tax has arisen in respect of:

	2023	2022
	£	£
Fixed asset timing differences	853,657	609,037
Losses carried forward	<u>-</u>	<u>(16,480)</u>
	<u>853,657</u>	<u>592,557</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
222	Ordinary	£1	<u>222</u>	<u>222</u>

21. CONTINGENT LIABILITIES

There is an unlimited multilateral guarantee in respect of bank borrowings in place between TBD Owen Holland Holdings Limited, Owen Holland (Engineering) Limited and TBD (Owen Holland) Limited. The total of bank borrowings amounted to £1,645,347 at 31 March 2023 (2022: £4,624,123).

22. RELATED PARTY DISCLOSURES

The company is exempt from disclosing related party transactions with companies in the same group. Included within directors' remuneration is £nil (2022: £15,600) of sums paid to third parties for directors' services.

23. ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is TBD Owen Holland Holdings Limited.

The ultimate parent undertaking and controlling party is TBD Owen Holland Holdings Limited, a company incorporated in Wales.

TBD Owen Holland Holdings Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements. The consolidated financial statements of TBD Owen Holland Holdings Limited can be obtained from Waterton House, Brocastle Avenue, Waterton Industrial Estate, Bridgend CF31 3US.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.