

ANNUAL REPORT AND FINANCIAL  
STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2022

MEACO (U.K.) LIMITED

MENZIES

---

# MEACO (U.K.) LIMITED

---

## COMPANY INFORMATION

---

Directors	C G Michael M C Michael
Company secretary	C G Michael
Registered number	05000418
Registered office	Meaco House Parklands Railton Road Guildford Surrey GU2 9JX
Independent auditor	Menzies LLP Chartered Accountants & Statutory Auditor 1st Floor Midas House 62 Goldsworth Road Woking Surrey GU21 6LQ

---

# MEACO (U.K.) LIMITED

---

## CONTENTS

---

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 8
Statement of income and retained earnings	9
Statement of financial position	10
Notes to the financial statements	11 - 21

---

# MEACO (U.K.) LIMITED

---

## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

---

### Introduction

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

### Business review

The Statement of Income and Retained Earnings set out on page 9 shows that the company's turnover for the year is £28,278,430 (2021: £25,011,664) and that the company made a profit after tax for the year of £2,140,601 (2021: £5,025,404).

Turnover has increased by 13% (2021: increased by 88%) this is despite unfavourable weather conditions; the summer was too cool for too long and the winter was very mild which is not conducive to selling dehumidifiers. Other external factors that would have had a negative effect on trading came in autumn 2021, omicron hit Europe along with the start of rising energy costs and inflation. Despite these factors fan sales grew by 26% and dehumidifier sales held firm.

A pleasing area was the fact that despite two major online retailers being over stocked from the previous financial year, which meant a large drop in revenue from them of £6.7m, we still managed to increase our overall turnover through increased sales to traditional high street retailers and direct sales to consumers via our updated website.

The new range of own design dehumidifiers called Arete was launched to very positive reviews and sold through faster than expected, this bodes well for the future as more SKUs in the range are released over the next 4 years.

The business is also benefiting from natural organic growth that comes from selling more items each year which brings more customers into the brand, more positive reviews and increased word of mouth.

The company ended the year with net assets of £11,232,397 (2021: £9,280,377). The year end cash at bank position was £5,466,170 (2021: £6,617,198).

### Principal risks and uncertainties

The directors consider the principal risks and uncertainties faced by the company to be:

- **Environmental uncertainties** - As an air treatment company, our sales are partly driven by the underlying weather conditions of the time. There is no doubt for example that a hot summer will result in more fans being sold at a better margin. Dehumidifier sales tend to be more reliable, and we are not dependent on extreme weather to generate sales as we are not heavily weighted towards the commercial end of the market.
- **Financial risk** - We purchase largely in US Dollars and are therefore exposed to fluctuations in the exchange rate. We continue to monitor closely the international FX situation and work closely with our foreign exchange suppliers to mitigate the risks.
- **Logistics** - This is an area where new levels of uncertainties have emerged over the year with a massive increase in sea freight rates that continue to climb. This is an issue that is affecting all importers in the west and is of great concern. Sea freight rates fell during the financial year from the high of \$18k for containers from China, but are still much higher than pre-COVID rates. We are expecting sea freight rates to start to stabilise around \$10k and are planning on that basis. The increase in shipping costs was the largest factor in the company's reduced profitability. In December 2021 we switched to a new freight service into Tilbury which is a direct service running at 35 days. With services into Felixstowe running at anything up to 80 days, the level of certainty that the Tilbury service offers will help with stock planning and will allow us to deliver on time.
- **Suppliers** - We maintain strong relationships with our suppliers, the problems previously seen on their supply side have calmed down. China's policy of shutting whole cities down to prevent the spread of COVID did cause some issues, but in the main the factories were able to continue producing having applied for special licences to do so.
- **War in Ukraine** - The war in Ukraine will be a destabilising issue that could fuel inflation further in the supply side economy and we will watch carefully to how this develops and how the supply side inflation affects us.

Some of the above issues are outside of our control and are part of the wider issues affecting international commerce at the moment. So, we are concentrating on controlling what we can control.

---

# MEACO (U.K.) LIMITED

---

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

---

For stock levels we are constantly looking to improve our data analysis and forecasting models and to concentrate on features and benefits that will result in stock still selling strongly even when the weather conditions might not be favourable.

We will continue to grow our sales in USD to provide ourselves with a buffer against negative fluctuations in currency.

We are not expecting sea freight rates or domestic logistics problems to stabilise anytime soon, so we are reviewing our product range to concentrate on the products that allow us to ship more in each container, fit more on a pallet and therefore defend margins against the steep increase in transport and storage costs.

Where margins are being squeezed on the supply side we are looking to pass these on where we can and to find new routes to market that allow us to sell at improved margins.

### Financial key performance indicators

	2022	2021
	£	£
Turnover	28,278,430	25,011,664
Gross Profit	<u>10,406,366</u>	<u>9,178,815</u>

Non-financial KPIs are not produced here because, given the nature of the business, the company's directors are of the opinion that analysis using such KPIs is not necessary for an understanding of the development, performance or position of the entity.

### Future Developments

Our focus going forward will be to maintain our investment in marketing and PR to help increase the sell through of our stocks. Next financial year will see the launch of our new inventory software system for Germany which will allow us to sell directly to consumers at improved margins across Germany and France.

The development of our own range of fans continues and now that the dehumidifier development has finished this will become a focus for the team. This will generate several new SKUs to be launched worldwide over the next 4 to 5 years.

Where there are challenges on the supply side, we will continue to work closely with our suppliers to push for solutions that allow us to continue to deliver on time to our customers at a sensible margin.

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

**C G Michael**  
Director

Date: 22 December 2022

---

# MEACO (U.K.) LIMITED

---

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

---

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

### Directors

The directors who served during the year were:

C G Michael  
M C Michael

### Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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 for the Company's financial statements 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 to 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.

### Results and dividends

The profit for the year, after taxation, amounted to £2,140,601 (2021 -£5,025,404).

### Research and development activities

During the year the company undertook research and development activity in relation to obtaining further scientific advances in particular in relation to performance, energy efficiency and noise levels.

### Disclosure of information in Strategic Report

The Company has chosen, in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, to set out within the Company's Strategic Report, the Company's Strategic Report Information as required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of principal risks and uncertainties.

---

# MEACO (U.K.) LIMITED

---

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

---

### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Post balance sheet events

There have been no significant events affecting the Company since the year end.

### Auditor

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

.....  
**C G Michael**

Director

Date: 22 December 2022

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEACO (U.K.) LIMITED**

---

**Opinion**

We have audited the financial statements of Meaco (U.K.) Limited (the 'Company') for the year ended 31 March 2022, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 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.



---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEACO (U.K.) LIMITED  
(CONTINUED)**

---

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

- adequate accounting records have not been kept, 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 Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEACO (U.K.) LIMITED  
(CONTINUED)**

---

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

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

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

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including:

- The Companies Act 2006;
- Financial Reporting Standard 102;
- UK employment legislation
- UK health and safety legislation; and
- General Data Protection Regulations

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

- We understood how the Company are complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal and compliance procedures.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud;
  - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
  - Challenging assumptions and judgments made by management in its significant accounting estimates; and
  - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.
- As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:
  - Posting of journals to the accounting software which are of a non-routine nature in terms of timing and amount; and
  - Timing of revenue recognition.

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

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

---

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEACO (U.K.) LIMITED  
(CONTINUED)

---

**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.

Tom Woods ACA (Senior statutory auditor)

for and on behalf of

**Menzies LLP**

Chartered Accountants

Statutory Auditor

1st Floor

Midas House

62 Goldsworth Road

Woking

Surrey

GU21 6LQ

22 December 2022

---

# MEACO (U.K.) LIMITED

---

## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2022

---

	Note	2022 £	2021 £
Turnover	4	28,278,430	25,011,664
Cost of sales		(17,872,064)	(15,832,849)
<b>Gross profit</b>		<b>10,406,366</b>	<b>9,178,815</b>
Distribution costs		(5,211,506)	(1,802,991)
Administrative expenses		(2,585,825)	(1,195,154)
<b>Operating profit</b>	5	<b>2,609,035</b>	<b>6,180,670</b>
Interest receivable and similar income	9	9,876	8,013
Interest payable and similar expenses	10	(8,798)	(966)
<b>Profit before tax</b>		<b>2,610,113</b>	<b>6,187,717</b>
Tax on profit	11	(469,512)	(1,162,313)
<b>Profit after tax</b>		<b>2,140,601</b>	<b>5,025,404</b>
<b>Retained earnings</b>			
- as previously stated		9,280,277	4,175,988
- correction of a prior period error		-	287,411
<b>At the beginning of the year as restated</b>		<b>9,280,277</b>	<b>4,463,399</b>
Profit for the year		2,140,601	5,025,404
Dividends declared and paid		(188,581)	(208,526)
<b>Retained earnings at the end of the year</b>		<b>11,232,297</b>	<b>9,280,277</b>

The notes on pages 11 to 21 form part of these financial statements.

**MEACO (U.K.) LIMITED**  
**REGISTERED NUMBER:05000418**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022**

	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Fixed assets</b>			
Intangible fixed assets	13	<b>27,460</b>	36,613
Tangible assets	14	<b>31,874</b>	39,370
		<b>59,334</b>	75,983
<b>Current assets</b>			
Stocks		<b>7,814,612</b>	5,694,288
Debtors: amounts falling due within one year	15	<b>6,199,845</b>	7,707,870
Cash at bank and in hand		<b>5,466,170</b>	6,617,198
		<b>19,480,627</b>	20,019,356
Creditors: amounts falling due within one year	16	<b>(7,268,216)</b>	(9,800,342)
<b>Net current assets</b>		<b>12,212,411</b>	10,219,014
<b>Total assets less current liabilities</b>		<b>12,271,745</b>	10,294,997
<b>Provisions for liabilities</b>			
Deferred tax	17	<b>(14,311)</b>	(13,950)
Warranty provision	18	<b>(1,025,037)</b>	(1,000,670)
		<b>(1,039,348)</b>	(1,014,620)
<b>Net assets</b>		<b>11,232,397</b>	9,280,377
<b>Capital and reserves</b>			
Called up share capital	19	<b>100</b>	100
Profit and loss account	20	<b>11,232,297</b>	9,280,277
		<b>11,232,397</b>	9,280,377

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....  
**C G Michael**  
 Director

Date: 22 December 2022

The notes on pages 11 to 21 form part of these financial statements.

---

# MEACO (U.K.) LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

---

### 1. General information

Meaco (U.K.) Limited is a private company limited by shares, incorporate and domiciled in the United Kingdom. The company discloses its registered office on the company information page. This address is also its principal place of business.

The principal activity of the company is the provision of fans and dehumidifiers.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

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

The following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Meaco Holdings Limited as at 31 March 2022 and these financial statements may be obtained from Companies House..

#### 2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Sales of freight on board stock are recognised when released from the warehouse. For sales where the company is responsible for delivering inventory to the final customer, the sale is recognised when the goods are delivered. These are the points at which it is deemed that the risks and rewards have passed to the customer. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

#### 2.4 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

---

# MEACO (U.K.) LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

---

### 2. Accounting policies (continued)

#### 2.5 Pensions

##### Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

#### 2.6 Intangible assets

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

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Intangible assets are amortised over a period of 25% reducing balance.

#### 2.7 Tangible fixed assets

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

##### Depreciation

Depreciation is charged on the assets less their residual value over their estimated useful lives, on the following basis:

Office equipment	- 25% reducing balance
Plant and machinery	- 25% reducing balance
Operating system	- 25% reducing balance

#### 2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a average cost basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

---

# MEACO (U.K.) LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

---

### 2. Accounting policies (continued)

#### 2.9 Provisions for liabilities

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

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Significant judgements

The Company did not make any judgements that have a significant effect on the amounts recognised in the financial statements.

#### Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

A warranty provision is calculated based on the number of warranty calls on all items in the prior year, the average cost of fixing and the two / three year warranty term. The warranty provision as at 31 March 2022 was £1,025,037 (2021: £1,000,670).

### 4. Turnover

The directors consider there to be only one class of business.

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	20,713,471	19,377,719
Europe	2,737,152	2,844,709
Rest of the world	4,827,807	2,789,236
	<u>28,278,430</u>	<u>25,011,664</u>



---

# MEACO (U.K.) LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

---

### 5. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Research & development charged as an expense	175,607	55,481
Depreciation of tangible fixed assets	10,051	10,794
Amortisation of intangible assets, including goodwill	9,153	5,237
Exchange differences	349,310	(399,672)
Operating lease rentals	25,765	24,809
Defined contribution pension cost	<u>87,505</u>	<u>85,672</u>

### 6. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>15,000</u>	<u>13,500</u>

### 7. Employees

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

	2022 £	2021 £
Wages and salaries	422,804	351,615
Social security costs	36,425	30,326
Cost of defined contribution scheme	87,505	85,672
	<u>546,734</u>	<u>467,613</u>

The average monthly number of employees, including directors, during the year was 16 (2021 -13).

---

# MEACO (U.K.) LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

---

### 8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	21,368	27,960
Directors pension costs	80,000	80,175
	<u>101,368</u>	<u>108,135</u>

During the year retirement benefits were accruing to 2 directors (2021 -NIL) in respect of defined contribution pension schemes.

### 9. Interest receivable

	2022 £	2021 £
Interest receivable	9,876	8,013
	<u>9,876</u>	<u>8,013</u>

### 10. Interest payable and similar expenses

	2022 £	2021 £
Other interest payable	8,798	966
	<u>8,798</u>	<u>966</u>

# MEACO (U.K.) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 11. Taxation

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	469,151	1,159,178
Adjustments in respect of previous periods	-	(2,968)
	<u>469,151</u>	<u>1,156,210</u>
<b>Total current tax</b>	<u>469,151</u>	<u>1,156,210</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	361	6,103
<b>Total deferred tax</b>	<u>361</u>	<u>6,103</u>
<b>Taxation on profit on ordinary activities</b>	<u>469,512</u>	<u>1,162,313</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 -lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>2,610,113</u>	<u>6,187,717</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 -19%)	495,921	1,175,666
<b>Effects of:</b>		
Fixed asset differences	(146)	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	14,608	2,024
Additional deduction for R&D expenditure	(43,156)	(12,409)
Adjustments to tax charge in respect of prior periods	(183)	(2,968)
Remeasurement of deferred tax for changes in tax rates	3,435	-
Other timing differences leading to an increase (decrease) in taxation	(967)	-
<b>Total tax charge for the year</b>	<u>469,512</u>	<u>1,162,313</u>

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

---

# MEACO (U.K.) LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

---

### 12. Dividends

	2022 £	2021 £
Dividends paid on ordinary shares	188,581	208,526
	<u>188,581</u>	<u>208,526</u>

### 13. Intangible assets

	Computer software £
<b>Cost</b>	
At 1 April 2021	42,956
At 31 March 2022	<u>42,956</u>
<b>Amortisation</b>	
At 1 April 2021	6,343
Charge for the year on owned assets	9,153
At 31 March 2022	<u>15,496</u>
<b>Net book value</b>	
At 31 March 2022	<u>27,460</u>
<i>At 31 March 2021</i>	<u>36,613</u>

---

# MEACO (U.K.) LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

---

### 14. Tangible fixed assets

	Office equipment £	Plant and Machinery £	Total £
<b>Cost or valuation</b>			
At 1 April 2021	35,175	38,491	73,666
Additions	2,555	-	2,555
At 31 March 2022	<u>37,730</u>	<u>38,491</u>	<u>76,221</u>
<b>Depreciation</b>			
At 1 April 2021	10,311	23,985	34,296
Charge for the year on owned assets	6,425	3,626	10,051
At 31 March 2022	<u>16,736</u>	<u>27,611</u>	<u>44,347</u>
<b>Net book value</b>			
At 31 March 2022	<u>20,994</u>	<u>10,880</u>	<u>31,874</u>
<b>At 31 March 2021</b>	<u>24,864</u>	<u>14,506</u>	<u>39,370</u>

---

# MEACO (U.K.) LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

---

### 15. Debtors

	2022 £	2021 £
Trade debtors	2,977,647	2,567,848
Amounts owed by group undertakings	798,330	15,772
Other debtors	25,816	349,218
Prepayments and accrued income	2,398,052	4,775,032
	<u>6,199,845</u>	<u>7,707,870</u>

### 16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	5,786,183	6,492,751
Amounts owed to group undertakings	6,054	-
Corporation tax	232,985	1,067,999
Other taxation and social security	431,450	669,449
Other creditors	52,893	6,021
Accruals and deferred income	758,651	1,564,122
	<u>7,268,216</u>	<u>9,800,342</u>

---

# MEACO (U.K.) LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

---

### 17. Deferred taxation

	2022 £
At beginning of year	(13,950)
Charged to profit or loss	(361)
<b>At end of year</b>	<b><u>(14,311)</u></b>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(14,311)	(13,950)
	<b><u>(14,311)</u></b>	<b><u>(13,950)</u></b>

### 18. Provisions

	Warranty provision £
At 1 April 2021	1,000,670
Charged to profit or loss	24,367
<b>At 31 March 2022</b>	<b><u>1,025,037</u></b>

### 19. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
100 (2021 -100) Ordinary shares of £1.00 each	<b><u>100</u></b>	<b><u>100</u></b>

### 20. Reserves

#### Profit and loss account

Includes all current and prior periods profit and losses.

---

# MEACO (U.K.) LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

---

### 21. Pension commitments

The company operates a defined contribution plan scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions by the company to the fund and amounted to £87,505 (2021: £85,672).

As at the year end there was £1,424 (2021: £696) payable to the pension scheme.

### 22. Commitments under operating leases

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	109,378	25,013
Later than 1 year and not later than 5 years	65,540	25,034
	<u>174,918</u>	<u>50,047</u>

### 23. Related party

The Company has taken advantage of the exemption under FRS 102 from disclosing transactions with other wholly owned members of the Meaco Holdings Limited Group.

At the year end Meaco (U.K.) Limited was owed £6,413 (2020: £1,660) by a Company in which one of the directors in Meaco (U.K.) Limited is also a director.

During the year, Meaco (U.K.) Limited paid expenses on behalf of directors totalling £60,860. These were ultimately cleared by way of dividend payments through Meaco Holdings Limited.

During the year there were rental payments of £25,765 (2020: £21,000) made to Dentons SIPP C G Michael and Dentons SIPP M C Michael, the pension scheme of the directors.

### 24. Controlling party

Meaco (U.K.) Limited's immediate parent company and ultimate parent company is Meaco Holdings Limited. The parent company of the largest and smallest group in which the company's results are consolidated is Meaco Holdings Limited. The consolidated accounts are available from Companies House.

C G Michael and M C Michael are both considered the ultimate controlling party as they are closely related persons.





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.