

# **Sentinel Performance Solutions Limited**

Annual Report and Unaudited Financial Statements

Year Ended

31 December 2022

Company Number 05433529



## Sentinel Performance Solutions Limited

### Company Information

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<b>Directors</b>	D J Barrett A R Monincx M Van De Veen R N W Van Den Belt S Mackenzie
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<b>Registered number</b>	05433529
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<b>Registered office</b>	7650 Daresbury Park Daresbury Warrington England WA4 4BS
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## Sentinel Performance Solutions Limited

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## Sentinel Performance Solutions Limited

### Strategic Report For the Year Ended 31 December 2022

The directors present their Strategic Report together with the financial statements for the year ended 31 December 2022.

#### Business review

Sentinel is one of the leading suppliers of water treatment products for residential and commercial central heating and hot water systems in Europe and wider global markets.

Sentinel's innovative, technically advanced and branded product portfolio includes chemical formulations, physical devices and testing equipment that clean and prevent corrosion in heating systems and prevent scale in heating and water systems. Plumbing and heating engineers use Sentinel's products to keep systems clean and efficient, ensure compliance with OEM boilers, air source heat pumps and other heating devices - warranties and national regulatory requirements, and prolong the lives of heating systems.

The Sentinel brand is widely recognised across Europe and beyond, and is associated with superior quality, reliability, energy efficiency and product support. Sentinel's environmentally friendly, biodegradable chemical formulations and related products are specified by OEM boiler manufacturers and sold through leading merchants and distributors.

Sentinel's turnover increased by 1% and gross profit by 4% during the year, when adjusted for the shorter comparative period. This was mainly the result of growth in European markets. Turnover for the year was £24.7m (period ended 31 December 2021 - £18.2m) and gross profit was £13.7m (period ended 31 December 2021 - £9.9m).

Operating profit during the year was £5.2m versus a profit of £2.5m in the prior period as a result of the better trading performance, changes in non-operating costs and FX rates.

Net assets increased in the year to £20.8m (31 December 2021 - £16.5m) as a result of the successful trading in the year.

The results for the year are set out in the Statement of Comprehensive Income on page 6. The profit attributable to ordinary shareholders was £4,332k (period ended 31 December 2021 - £1,781k).

#### Financial key performance indicators

	31 December 2022	31 December 2021	Growth
Total sales (£000)	24,669	18,246	35%
Net assets (£000)	20,820	16,488	26%
Average headcount	69	64	8%

The sales growth of 35% is due to the shorter comparative period. When adjusted for the shorter comparative period, the sales growth is 1%.

## **Sentinel Performance Solutions Limited**

### **Strategic Report (continued) For the Year Ended 31 December 2022**

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#### **Future developments**

The short and medium term outlook for the business remains positive, with increasing awareness and penetration of water treatment across Europe and beyond, as owners of heating systems are increasingly focused on the efficiency and cleanliness of systems to both reduce energy costs and increase the life of boilers and other heat sources. Increasingly installers and specifiers are using chemical water treatment products, with the added protection of filters and physical devices to control scale in systems, a trend which fits well with Sentinel's broad product range. We have products tailored for the growing trend to install more environmentally friendly air source heat pump systems. These products are designed for these lower temperature systems and include both biometric additives and bespoke physical filters that meet new standards of best practice.

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

The Company remains vigilant to its key risks and opportunities as identified by the Directors on a regular basis which could impact its key performance indicators or the business itself.

The principal risks of the business are primarily those which affect the market for heating systems. As a result the Company is faced with risks associated with the economy generally and those specifically linked to the weather, since prolonged periods of colder weather increase the demand for heating products and devices and ultimately demand for its products. Whilst every effort is made to forecast demand due to seasonal fluctuations, if average temperatures in the main heating season differ from the norm then that can significantly affect demand.

Certain markets have been affected by political disruption, including Ukraine, and by heightened inflationary and cost of living aspects. While these factors may cause some limited short term disruption, we do not anticipate any long term effects to the ongoing business.

Given the Company's product range is specifically linked to the use of wet hot water systems, changes in technology of chemicals and devices used in the wider heating industry remain a key risk for the Company. As a result the Company invests significantly in research and development and keeps abreast of recent developments in the industry and is involved with campaigning for legislation in this area.

World Governments move towards a low carbon economy will mean increased use of air-source heat pumps and hydrogen boilers, with these products replacing traditional gas boilers over time. This does not create a risk for Sentinel as these new technologies still require a wet heating system, that still requires water treatment products.

## Sentinel Performance Solutions Limited

### Strategic Report (continued) For the Year Ended 31 December 2022

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#### Financial instruments

##### *Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from credit sales, it is Company policy to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices. Each new customer is analysed individually for creditworthiness before the company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval. We also now have access to the company database tools of our Dutch parent company Aalberts NV which give us another layer of information on which to base credit decisions.

A monthly review of the trade receivables ageing analysis is undertaken and customers' credit is reassessed periodically. Existing customers that become "high risk" as a result of the periodic reassessment are placed on a restricted customer list and future credit sales are made only with approval of the local management, otherwise payment in advance is required.

##### *Liquidity risk*

Liquidity risk arises from the Company's management of working capital.

Management receives cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

##### *Foreign exchange risk*

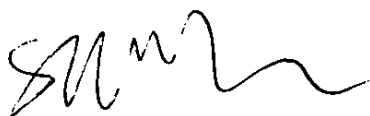
Foreign exchange risk arises when the Company enters into transactions denominated in a currency other than their functional currency. The Company policy is, where possible, to settle liabilities denominated in their functional currency (primarily Euro or Pound Sterling) with the cash generated from their own operations in that currency.

The Company is predominantly exposed to currency risk on sales made in US dollars and Euros. The Company does not currently hedge against the potential movements in exchange rates, though an element of natural hedging is provided by operational costs denominated in local currency.

#### Going concern

The directors have considered a number of factors including the financial results of the business, the strength and longevity of its brands and market position, the funding arrangements in place, future planned capital expenditure, the strength and reliability of operational cash generation and the future plans for profitable growth. As a result of this review the Directors are satisfied that the use of the going concern assumption is appropriate for the Company and as such have prepared the accounts on a going concern basis.

This report was approved by the board on 18 August 2023 and signed on its behalf by:



**S Mackenzie**  
Director

## Sentinel Performance Solutions Limited

### Directors' Report For the Year Ended 31 December 2022

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The directors present their report and the financial statements for the year ended 31 December 2022. The comparative results are for the 9 month period ended 31 December 2021.

#### Results and dividends

The profit for the year, after taxation, amounted to £4,332,000 (period ended 31 December 2021 - £1,781,000).

There were no dividends paid in the year (period ended 31 December 2021 - £Nil). The directors do not recommend the payment of a final dividend (period ended 31 December 2021 - £Nil).

#### Directors

The Directors who served during the year were:

D J Barrett  
A R Monincx  
M Van De Veen  
R N W Van Den Belt  
S Mackenzie

#### Research and development activities

During the year, the Company incurred research and development costs of £302,805 (period ended 31 December 2021 - £170,284).

#### Matters covered in the strategic report

Disclosures required under S416(4) of the Companies Act 2006 are commented upon in the Strategic Report as the directors consider them to be of strategic importance to the company.

This report was approved by the board on 18 August 2023 and signed on its behalf.



**S Mackenzie**  
Director

## **Sentinel Performance Solutions Limited**

### **Directors' Responsibilities Statement For the Year Ended 31 December 2022**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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; and
- 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.



# Sentinel Performance Solutions Limited

## Statement of Comprehensive Income For the Year Ended 31 December 2022

	Note	31 December 2022 £000	31 December 2021 £000
Turnover	4	24,669	18,246
Cost of sales		(11,009)	(8,391)
<b>Gross profit</b>		<b>13,660</b>	9,855
Administrative expenses before amortisation and impairment		(7,590)	(6,637)
Amortisation and impairment		(956)	(713)
<b>Total administrative expenses</b>	6	<b>(8,546)</b>	(7,350)
Other operating income	5	80	35
<b>Operating profit</b>		<b>5,194</b>	2,540
Interest payable and similar expenses	9	(19)	(367)
Interest receivable and similar income	10	95	6
<b>Profit before tax</b>		<b>5,270</b>	2,179
Tax on profit	11	(938)	(398)
<b>Profit for the financial year/period</b>		<b>4,332</b>	1,781

There was no other comprehensive income for the year ended 31 December 2022 (period ended 31 December 2021 - £Nil).

The notes on pages 9 to 32 form part of these financial statements.

**Sentinel Performance Solutions Limited**  
Registered number:05433529

**Statement of Financial Position**  
**As at 31 December 2022**

	Note	31 December 2022 £000	31 December 2021 £000
<b>Fixed assets</b>			
Goodwill	13	-	-
Intangible assets	12	2,487	3,318
Tangible assets	14	1,086	1,185
Investments	15	3,347	3,347
		<u>6,920</u>	<u>7,850</u>
<b>Current assets</b>			
Stocks	16	2,982	2,667
Debtors: amounts falling due within one year	17	17,902	17,686
Cash at bank and in hand		10,936	7,610
		<u>31,820</u>	<u>27,963</u>
Creditors: amounts falling due within one year	18	(17,552)	(18,760)
<b>Net current assets</b>		<u>14,268</u>	<u>9,203</u>
<b>Total assets less current liabilities</b>		<u>21,188</u>	<u>17,053</u>
Creditors: amounts falling due after more than one year	19	(368)	(565)
<b>Net assets</b>		<u>20,820</u>	<u>16,488</u>
<b>Capital and reserves</b>			
Called up share capital	22	116	116
Share premium account	23	11,486	11,486
Other reserves	23	3,742	3,742
Profit and loss account	23	5,476	1,144
<b>Total equity</b>		<u>20,820</u>	<u>16,488</u>

For the year ended 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 August 2023.



**S Mackenzie**  
Director

The notes on pages 9 to 32 form part of these financial statements.

**Sentinel Performance Solutions Limited**

**Statement of Changes in Equity  
For the Year Ended 31 December 2022**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2022	116	11,486	3,742	1,144	16,488
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	4,332	4,332
<b>Total comprehensive income for the year</b>	-	-	-	4,332	4,332
<b>At 31 December 2022</b>	<b>116</b>	<b>11,486</b>	<b>3,742</b>	<b>5,476</b>	<b>20,820</b>

**Statement of Changes in Equity  
For the Period Ended 31 December 2021**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 April 2021	116	11,486	3,742	(637)	14,707
<b>Comprehensive income for the period</b>					
Profit for the period	-	-	-	1,781	1,781
<b>Total comprehensive income for the period</b>	-	-	-	1,781	1,781
<b>At 31 December 2021</b>	<b>116</b>	<b>11,486</b>	<b>3,742</b>	<b>1,144</b>	<b>16,488</b>

The notes on pages 9 to 32 form part of these financial statements.

## **Sentinel Performance Solutions Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2022**

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#### **1. General information**

Sentinel Performance Solutions Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activity are outlined in the Strategic Report.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 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 Exemption from preparing consolidated financial statements**

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

## Sentinel Performance Solutions Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 2. Accounting policies (continued)

##### 2.3 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- *the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers*
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Sentinel Performance Solutions Group Limited, a parent company, includes the Company in its consolidated financial statements. The consolidated financial statements are prepared in accordance with IFRS and are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

## Sentinel Performance Solutions Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 2. Accounting policies (continued)

##### 2.4 Going concern

In preparing these financial statements, the Directors are required to prepare financial statements on the going concern basis unless it is inappropriate to assume the company will continue in business. In satisfaction of this responsibility the Directors have considered the company's ability to meet its liabilities as they fall due for a period of at least twelve months from the signing date of the financial statements. The directors have reviewed current and future trading plans, market data and capital expenditure as part of this determination.

The Directors have considered the cash requirements of the business for at least twelve months from the date of this report and are satisfied that sufficient funds are available to meet the liabilities as they fall due.

As a result, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

##### 2.5 Foreign currency translation

###### Functional and presentation currency

The Company's functional currency is GBP and amounts presented are rounded to the nearest thousand pound.

###### Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

## Sentinel Performance Solutions Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 2. Accounting policies (continued)

##### 2.6 Turnover

Turnover from the sale of goods is based on the price specified in the contract, being the invoice price, *excluding value added tax and discounts*. Turnover is recognised at the date of despatch, which is the date on which control transfers to the buyer. Payment terms vary by customer but never exceed 12 months. The transaction price is therefore not adjusted for the effects of a significant financing component.

With regards to rebates, consideration is given as to whether a distinct good or service has been received from the goods sold to the customer. Where the payments do not result in the receipt of a distinct good or service, they are treated as a deduction from turnover. For rebates, accumulated experience is used to estimate and provide for these using the expected value method and turnover is only recognised to the extent that it is *highly probable that significant reversal will not occur*. The Statement of Financial Position includes accruals for claims yet to be received for rebates.

The company is managed as one entity and operates in one field. Segmental analysis is not provided. In the opinion of the Directors, disclosure of Segmental Analysis would be seriously prejudicial to the interests of the company. Consequently, the analysis has not been disclosed.

##### 2.7 Government grants

Payments received under the UK government's Coronavirus Job Retention Scheme are a form of grant. This grant money is receivable as compensation for expenses already incurred. It is recognised in income in the period in which it becomes receivable and the related expense is incurred.

##### 2.8 Finance and borrowing costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

##### 2.9 Pensions

The Company participates in The Sentinel Performance Solutions Group Stakeholder Pension Plan ("the Plan"), which is a defined contributions pension scheme.

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.

## Sentinel Performance Solutions Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 2. Accounting policies (continued)

##### 2.10 Current and deferred taxation

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

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

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

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

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

##### 2.11 Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued.

When a business combination agreement provides for an adjustment to the cost of the combination *which is contingent on future events*, the company includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. However, if the potential adjustment is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination. Changes in the estimated value of contingent consideration arising on business combinations completed as a consequence result in a change in the carrying value of the related goodwill.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to profit or loss. The Companies Act 2006 requires acquired goodwill to be reduced by provisions for depreciation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life. It has been deemed, however, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view. The effect of this departure has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.



## Sentinel Performance Solutions Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

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## 2. Accounting policies (continued)

### 2.12 Intangible assets

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the company is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalised development costs are subsequently amortised on a straight line basis over the periods the company expects to benefit from selling the products developed. The amortisation expense is included within administrative expenses in the Statement of Comprehensive Income.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the Statement of Comprehensive Income as incurred.

Customer Relationships, Brands and Trade Secrets have been valued based on the present value of future cash flows.

Amortisation is charged so as to write off the cost or valuation of assets, except goodwill, less their residual value over their estimated useful lives, using the straight-line method.

Amortisation is provided on the following bases:

Software	-	33%
Other intangible assets	-	5%

Other intangible assets arising on acquisition are recognised at fair value at the acquisition date.

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

### 2.13 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.

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

## Sentinel Performance Solutions Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 2. Accounting policies (continued)

##### 2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their *estimated useful lives, using the straight-line method.*

Depreciation is provided on the following basis:

Assets under development	- Not depreciated
Furniture and other	- 20% - 33%
IT equipment	- 33%

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### 2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.15 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 first in, first out 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.

##### 2.16 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## Sentinel Performance Solutions Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 2. Accounting policies (continued)

##### 2.17 Financial instruments

###### *Financial assets*

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value.

Subsequent to initial recognition, investments in subsidiaries are measured at cost.

Other Financial Assets are classified into one of the categories discussed below, depending on the purpose for which the asset was acquired. The company's accounting policy for each category is as follows:

###### *Fair value through profit or loss*

The company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

###### *Amortised Cost*

These assets arise principally from the provision of goods and services to customers (eg trade debtors), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Company's financial assets measured at amortised cost comprise primarily cash and trade receivables that arise from its business operations. Cash and cash equivalents comprise cash in hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

A provision for impairment is calculated using an expected credit loss impairment model. Under this impairment model approach under IFRS 9, it is not necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses is updated at each reporting date.

## Sentinel Performance Solutions Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 2. Accounting policies (continued)

##### 2.17 Financial instruments (continued)

###### *Impairment of Financial Assets*

Financial assets, other than derivatives, are assessed for indicators of impairment at each year 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 cashflows of the investment have been impacted. For trade receivables the amount of the impairment is calculated using the expected credit loss impairment model.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an expected credit loss provision account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit and loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

###### *Financial Instruments issued by the Company*

###### *Equity instruments*

Equity instruments are classified as equity in accordance with the substance of the contractual arrangement.

###### *Financial liabilities*

The Company's financial liabilities comprise trade and other payables. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Company becomes a party to the contractual provisions of the instrument. Trade payables are initially measured at fair value and subsequently measured at amortised cost, using the effective interest rate method.

###### *Other financial liabilities*

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

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

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expire.

## Sentinel Performance Solutions Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

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## 2. Accounting policies (continued)

### 2.18 Leases

#### *Identifying Leases*

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- There is an identified asset;
- The Company obtains substantially all the economic benefits from use of the asset; and
- The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

#### Recognition and measurement

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a term of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

## Sentinel Performance Solutions Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 2. Accounting policies (continued)

##### 2.18 Leases (continued)

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the company revises its estimate of the term of any lease (because, for example, it reassesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

When the company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the company to use an identified asset and require services to be provided to the company by the lessor, the company has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

## Sentinel Performance Solutions Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

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

*In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

##### *Revenue recognition*

In the normal course of business, the Company incentivises customers to make purchases through the use of rebate arrangements. The Directors must make estimates of the amounts payable under these arrangements, taking into account the cumulative sales by customer and the estimated sales to the end of the rebate period.

##### *Other intangible assets and impairment*

On acquisition of the business, the Directors valued the purchased intangible assets ("intangibles") which include brands, customer lists and trade secrets, using a variety of methodologies, many of which required the Directors to make assumptions regarding the future profitability of, and future cash flows arising from, the business generated from those assets. Following the acquisition of the Company by The Sentinel Performance Solutions Group the Directors carried out an impairment review of the intangibles. In performing reviews the Directors made significant assumptions and judgement in determining the value of anticipated future cash flows. Given the financial result of the current period and the forecasted financial results of future periods, the Directors were of the opinion that no impairment review was required.

##### *Impairment of amounts owed by Group companies*

The Company makes an estimate of the recoverable value of amounts owed by group undertakings. When assessing the impairment of amounts owed by group undertakings, management considers factors including the carrying value of the net assets of the company, the net assets of any subsidiary undertaking of the company and the ability to call in debt from amounts owed by other group companies with the ability to make payments on demand. The company applies the IFRS 9 simplified approach to measuring expected credit loss, by determining the actual ability of the company to make payments on demand. Any amounts deemed to be unrecoverable for a period of time, are appropriately discounted at the companies incremental cost of borrowing.

##### *Impairment of non-current assets*

Determine whether there are any indicators of impairment of the Company's tangible and intangible assets. Factors taken into consideration in reaching such decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future financial performance of that unit.

## Sentinel Performance Solutions Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

#### 3. Judgements in applying accounting policies (continued)

##### *Incremental borrowing rate used to measure lease liabilities*

Where the interest rate implicit in the lease cannot be readily determined, lease liabilities are discounted at the lessee's incremental borrowing rate. This is the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. This involves assumptions and estimates, which would affect the carrying value of the lease liabilities (notes 18 and 19) and the corresponding right-of-use assets (note 14).

To determine the incremental borrowing rate the company uses recent third-party financing as a starting point, and adjusts this for conditions specific to the lease such as its term and security.

#### 4. Turnover

As an unlisted company, the Company has taken the exemptions from applying the requirements of IFRS 8 'Segmental Reporting'.

In the opinion of the Directors, disclosure of Segmental Analysis would be seriously prejudicial to the interests of the company. Consequently, the analysis has not been disclosed.

#### 5. Other operating income

	31 December 2022 £000	31 December 2021 £000
Rents receivable	80	35
	<u>80</u>	<u>35</u>

#### 6. Operating profit

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

	31 December 2022 £000	31 December 2021 £000
Research & development charged as an expense	303	170
Depreciation of tangible fixed assets	654	465
Amortisation of intangible assets	956	713
Exchange differences	<u>(598)</u>	<u>111</u>



## Sentinel Performance Solutions Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

#### 7. Employees

Staff costs were as follows:

	31 December 2022 £000	31 December 2021 £000
Wages and salaries	3,733	3,229
Social security costs	697	610
Cost of defined contribution scheme	430	200
	<u>4,860</u>	<u>4,039</u>

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

	31 December 2022 No.	31 December 2021 No.
Managerial	6	6
Other	63	58
	<u>69</u>	<u>64</u>

#### 8. Directors' remuneration

Only the Directors are considered key management personnel, as defined in IAS 24.

Directors' emoluments paid by the Company during the year ended 31 December 2022 amounted to £412,910 (period ended 31 December 2021 - £394,664). The pension contributions for Directors was £25,017 (period ended 31 December 2021 - £22,741).

The emoluments for the highest paid Director were £259,819 (period ended 31 December 2021 - £228,958). The associated pension contribution for the highest paid Director was £12,667 (period ended 31 December 2021 - £13,329). On average there were 2 directors accruing pension contributions during the year (period ended 31 December 2021 - 2).

# Sentinel Performance Solutions Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 9. Interest payable and similar expenses

	31 December 2022 £000	31 December 2021 £000
Loans from group undertakings	-	319
Interest on lease liabilities	19	48
	<u>19</u>	<u>367</u>

### 10. Interest receivable and similar income

	31 December 2022 £000	31 December 2021 £000
Bank interest receivable	95	6
	<u>95</u>	<u>6</u>

### 11. Taxation

	31 December 2022 £000	31 December 2021 £000
<b>Corporation tax</b>		
Current tax on profits for the year/period	847	244
Adjustments in respect of previous periods	(2)	127
<b>Total current tax</b>	<u>845</u>	<u>371</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	93	153
Adjustments in respect of previous periods	-	-
Effect of tax rate change on opening balance	-	(126)
<b>Total deferred tax</b>	<u>93</u>	<u>27</u>
<b>Taxation on profit</b>	<u>938</u>	<u>398</u>

# Sentinel Performance Solutions Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 11. Taxation (continued)

#### Factors affecting tax charge for the year/period

The tax assessed for the year is lower than (period ended 31 December 2021 - higher than) the standard rate of corporation tax in the UK of 19% (period ended 31 December 2021 - 19%). The differences are explained below:

	31 December 2022 £000	31 December 2021 £000
Profit before tax	<u>5,270</u>	<u>2,179</u>
Profit multiplied by standard rate of corporation tax in the UK of 19% (period ended 31 December 2021 - 19%)	1,001	414
<b>Effects of:</b>		
Expenses not deductible for tax purposes	20	9
Fixed asset differences	(9)	11
Adjustments to tax charge in respect of prior periods	(2)	127
Foreign tax (credits)/charges	(95)	189
Remeasurement of deferred tax for changes in tax rates	-	(126)
Difference in current and deferred tax rates	-	37
Deferred tax not recognised	-	(263)
Other movements	23	-
<b>Total tax charge for the year/period</b>	<u><b>938</b></u>	<u><b>398</b></u>

#### Factors that may affect future tax charges

The Finance Act 2021 was substantively enacted in May 2021 and has increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

**Sentinel Performance Solutions Limited**

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

**12. Intangible assets**

	Value of brands £000	Product development £000	Trade secrets £000	Software £000	Customer relationships £000	Total £000
<b>Cost</b>						
At 1 January 2022	3,546	1,236	4,610	1,673	13,988	25,053
Additions	-	-	-	125	-	125
At 31 December 2022	3,546	1,236	4,610	1,798	13,988	25,178
<b>Amortisation</b>						
At 1 January 2022	2,682	1,236	3,488	1,627	12,702	21,735
Charge for the year	145	-	188	49	574	956
At 31 December 2022	2,827	1,236	3,676	1,676	13,276	22,691
<b>Net book value</b>						
At 31 December 2022	719	-	934	122	712	2,487
At 31 December 2021	864	-	1,122	46	1,286	3,318

Product development at 31 December 2022 and 31 December 2021 represents the costs incurred to date to develop new products not completed at the year end.

Sentinel Performance Solutions Limited

Notes to the Financial Statements  
For the Year Ended 31 December 2022

13. Goodwill

	Total £000
<b>Cost</b>	
At 1 January 2022	474
<b>At 31 December 2022</b>	<b>474</b>
<b>Amortisation</b>	
At 1 January 2022	474
<b>At 31 December 2022</b>	<b>474</b>
<b>Net book value</b>	
<b>At 31 December 2022 and 31 December 2021</b>	<b>-</b>

14. Tangible fixed assets

	Assets under development £000	Furniture and other £000	IT equipment £000	Right of use assets £000	Total £000
<b>Cost or valuation</b>					
At 1 January 2022	723	2,662	646	2,057	6,088
Additions	4	254	40	266	564
Disposals	(9)	-	-	-	(9)
<b>At 31 December 2022</b>	<b>718</b>	<b>2,916</b>	<b>686</b>	<b>2,323</b>	<b>6,643</b>
<b>Depreciation</b>					
At 1 January 2022	714	2,423	582	1,184	4,903
Charge for the year	-	169	44	441	654
Disposals	-	-	-	-	-
<b>At 31 December 2022</b>	<b>714</b>	<b>2,592</b>	<b>626</b>	<b>1,625</b>	<b>5,557</b>
<b>Net book value</b>					
<b>At 31 December 2022</b>	<b>4</b>	<b>324</b>	<b>60</b>	<b>698</b>	<b>1,086</b>
<b>At 31 December 2021</b>	<b>9</b>	<b>239</b>	<b>64</b>	<b>873</b>	<b>1,185</b>

Assets under development at 31 December 2022 and 31 December 2021 represents the costs incurred to date in tooling not yet complete at the year end.

# Sentinel Performance Solutions Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 14. Tangible fixed assets (continued)

The net book value of owned and leased assets included as "Tangible fixed assets" in the Statement of Financial Position is as follows:

	31 December 2022 £000	31 December 2021 £000
Tangible fixed assets owned	388	312
Right-of-use tangible fixed assets	698	873
	<u>1,086</u>	<u>1,185</u>

Information about right-of-use assets is summarised below:

#### Net book value

	31 December 2022 £000	31 December 2021 £000
Property	412	645
Motor vehicles	286	228
	<u>698</u>	<u>873</u>

#### Depreciation charge for the year ended

	31 December 2022 £000	31 December 2021 £000
Property	243	184
Motor vehicles	198	147
	<u>441</u>	<u>331</u>

#### Additions to right-of-use assets

	31 December 2022 £000	31 December 2021 £000
Property	10	-
Motor vehicles	256	192
	<u>266</u>	<u>192</u>

**Sentinel Performance Solutions Limited**

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

**15. Fixed asset investments**

	<b>Investments in subsidiary companies £000</b>
<b>Cost and net book value</b>	
At 1 January 2022	3,347
At 31 December 2022	<u>3,347</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Davra Limited	Directly owned, dormant holding company	Ordinary	100%
Salamander (Engineering) Limited	Indirectly owned, manufacturing, trading company	Ordinary	100%

The registered office of Davra Limited is 7650 Daresbury Park, Daresbury, Warrington, WA4 4BS. The registered office of Salamander (Engineering) Limited is Unit 7 Plantation Road, Burscough Industrial Estate, Ormskirk, England, L40 8JT.

**16. Stocks**

	<b>31 December 2022 £000</b>	<b>31 December 2021 £000</b>
Finished goods and goods for resale	<u>2,982</u>	<u>2,667</u>

An impairment loss of £79,192 (period ended 31 December 2021 - £58,392) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

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

**Sentinel Performance Solutions Limited**

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

**17. Debtors**

	<b>31 December 2022 £000</b>	<b>31 December 2021 £000</b>
Trade debtors	8,024	7,799
Amounts owed by group undertakings	9,044	9,044
Other debtors	-	128
Prepayments and accrued income	117	113
Tax recoverable	439	231
Deferred taxation	278	371
	<u><b>17,902</b></u>	<u><b>17,686</b></u>

Amounts owed by group undertakings are interest free and repayable on demand.

**18. Creditors: Amounts falling due within one year**

	<b>31 December 2022 £000</b>	<b>31 December 2021 £000</b>
Trade creditors	848	2,130
Amounts owed to group undertakings	9,097	8,878
Other taxation and social security	261	88
Lease liabilities	384	374
Accruals and deferred income	6,962	7,290
	<u><b>17,552</b></u>	<u><b>18,760</b></u>

Amounts owed to group undertakings are interest free and repayable on demand.

**19. Creditors: Amounts falling due after more than one year**

	<b>31 December 2022 £000</b>	<b>31 December 2021 £000</b>
Lease liabilities	<u><b>368</b></u>	<u><b>565</b></u>



**Sentinel Performance Solutions Limited**

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**20. Leases**

**Company as a lessee**

Lease liabilities are due as follows:

	<b>31 December 2022 £000</b>	<b>31 December 2021 £000</b>
Not later than one year	<b>384</b>	374
Between one year and five years	<b>368</b>	565
	<b><u>752</u></b>	<u>939</u>

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	<b>31 December 2022 £000</b>	<b>31 December 2021 £000</b>
Interest expense on lease liabilities	<b><u>19</u></b>	<u>48</u>

The total cash outflow for leases during the year was £472,000 (period ended 31 December 2021 - £361,000).

**Sentinel Performance Solutions Limited**

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

**21. Deferred taxation**

	<b>31 December 2022 £000</b>
At beginning of year	371
Charged to profit or loss	(93)
<b>At end of year</b>	<b><u>278</u></b>

The deferred tax asset is made up as follows:

	<b>31 December 2022 £000</b>	<b>31 December 2021 £000</b>
Fixed asset timing differences	267	371
Short term timing differences	11	-
	<b><u>278</u></b>	<b><u>371</u></b>

**22. Share capital**

	<b>31 December 2022 £000</b>	<b>31 December 2021 £000</b>
<b>Allotted, called up and fully paid</b>		
116,013 (31 December 2021 - 116,013) Ordinary shares of £1.00 each	<b><u>116</u></b>	<b><u>116</u></b>

**23. Reserves**

**Called up share capital**

Called up share capital represents the nominal value of the shares issued.

**Share premium account**

The share premium account includes the premium on issue of equity shares net of issue cost.

**Other reserves**

Other reserves represents a capital contribution.

**Profit and loss account**

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

## Sentinel Performance Solutions Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

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#### 24. Pension commitments

The Company participates in The Sentinel Performance Solutions Group Stakeholder Pension Plan ("the Plan"), which is a defined contributions pension scheme. The contributions made by the Company during the financial year to the Plan was £170,721 (period ended 31 December 2021 - £126,088). Outstanding contributions at 31 December 2022 to all pension contributions were £42,478 (31 December 2021 - £14,964).

The pension charge for the year is given in note 7.

#### 25. Related party transactions

The Company has taken advantage of the exemption conferred by FRS 101 paragraph 8(k) not to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

#### 26. Controlling party

The Company is a wholly-owned subsidiary of Zebramarsh Limited, a company incorporated in England and Wales with registered office 7650 Daresbury Park, Daresbury, Warrington, WA4 4BS.

The smallest group into which the Company's results are consolidated is that headed by Sentinel Performance Solutions Group Limited. Copies of the consolidated financial statements of Sentinel Performance Solutions Group Limited are publicly available and can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Sentinel Performance Solutions Group Limited, is owned by Flamco Limited, a company incorporated in England and Wales. The ultimate controlling party is Aalberts N.V. Group, a company incorporated in The Netherlands.