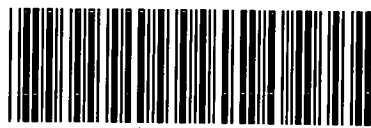


Company Registration No. 05640001 (England and Wales)

**STANTON HOLDING LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 SEPTEMBER 2021**

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# STANTON HOLDING LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	L Obraztsova S Fairburn
<b>Secretary</b>	Bury Company Services Limited
<b>Company number</b>	05640001
<b>Registered office</b>	80 Guildhall Street Bury St Edmunds Suffolk England IP33 1QB
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Blenheim House Newmarket Road Bury St Edmunds Suffolk IP33 3SB

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# STANTON HOLDING LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2021

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The directors present the strategic report for the year ended 30 September 2021.

#### **Fair review of the business and future outlook**

Stanton Holding Limited is a parent company with the main trading subsidiary being Shelbourne Reynolds Engineering Limited. The principal activity of Shelbourne Reynolds Engineering Limited is the design, manufacture and sale of agricultural machinery.

During the financial year the directors continued their programme of investing in infrastructure improvements, plant, its people and environment. This investment continues with the emphasis to integrate modern manufacturing methods, training, technology to improve efficiency, output and carbon footprint.

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

The business is subject to a number of uncertainties that could have an adverse effect on the group. These are identified as follows:

##### **Market**

At the time of writing this report, the ongoing war in Ukraine has led to increased costs of oil and gas as supplies from Russia are interrupted and countries globally look for alternative sources. This has put increased pressure on inflation. Sanctions on Russia, the world's largest wheat exporter, have initially caused an increase in grain prices. Russia is also the largest exporter of fertilizer and the Ukraine exports huge amounts of cereals used in livestock feed worldwide. It looks unlikely that in the long term the increase in grain prices for arable farmers will compensate for the increase in input costs although some who purchased fertiliser early and sold grain late will benefit. Livestock farmers will be under more pressure than ever as their input costs are rising sharply and they have less short term influence on the market price for their product which is notoriously slow to increase in line with production costs. It is early days to speculate what impact this may have on us all let alone the Group.

The directors have strategically evolved the products and markets to ensure the company is not overly reliant on one commodity, market or currency in order to mitigate any risk. Factors that affect farmers confidence such as world grain stocks, crop yields, commodity prices, climate change, production expenses, the growth and sustainability of non-food uses of crops (including ethanol and biodiesel production), land values leading to concerns over land available for farming have risks and uncertainties that could have an adverse effect on the Group.

##### **Covid-19**

The pandemic has clearly impacted global economies, but the directors believe that the need for a successful agricultural industry will be stronger than ever.

##### **Brexit**

The UK's exit from the European Union means there will be changes in the agricultural subsidies. The UK government plans to maintain the current level of support but wants to target support towards those farmers making a positive impact on the environment. It is still unclear how these changes might impact the Group.

##### **Skilled labour**

The manufacturing sector in the UK has been held back by consecutive government policy for years so it is pleasing to note some signs of recovery however the directors believe there is a long way to go to fill the future shortage in skilled labour in the UK. The Group has a long established and proud tradition of taking on apprentices every year to ensure it has a skilled workforce for the future and the directors will ensure this continues to happen.

# STANTON HOLDING LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2021

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#### **Financial risk management and objectives and policies**

The group uses various financial instruments; these include bank balances and contract finance lease arrangements as well as various items such as trade debtors and trade creditors that arise directly from its operations.

The main risks arising from the group's financial instruments are;

#### ***Foreign Currency risk***

The group is exposed to foreign exchange risk. The transactional currency exposure arises from sales and purchases in currencies other than sterling. This currency risk is managed by forecasting cash flow and entering into forward exchange contracts to mitigate the risk of currency fluctuations.

#### ***Credit risk***

The principal risk lies with trade debtors. The business normally sells on deferred terms. Any risk that these terms are not honoured are minimised through rigorous credit control procedures. Deferred terms are only granted to customers based on a combination of third-party references and payment history which are reviewed on a regular basis, customer by customer, to ensure exposure to bad debt is minimised. The group also uses a leading credit insurance policy to insure against potential payment default.

#### ***Competitive trade risk***

The business manages its competitive risk by continually developing its products, service response times and market prices. We continually work alongside our customers to ensure that we have listened to and met their needs and expectations.

#### ***Liquidity risk***

The group seeks to manage its financial risk by ensuring it maintains enough liquidity available to meet future needs and short-term flexibility.

#### ***Environment***

As a large local employer, we are committed to playing a responsible role in our local community and we take our responsibilities seriously. We accept it is our duty to minimise the impact the business has on the wider environment. We continue to reduce the use of paper, plastic, and waste and where this has not been possible, we recycle them with the aim of minimal amounts going to landfill. We continue to look for other environmentally friendly methods and technologies. We are proud that we have already taken many steps and actions in our journey to become carbon neutral. We will be considering further aspects of our business model and will also employ industry experts in carbon reduction to help us achieve this mission.

#### **Key performance indicators**

The directors consider the key performance indicators to be Turnover and Profit. These are monitored on a regular basis along with other operating information such as product margins, market trends, productivity and labour turnover.

KPI's used by the group during the year were as follows:

	2021	2020
Turnover	£30,317,956	£29,117,323
Operating profit	£8,619,430	£10,561,498
Net assets	£26,340,429	£26,961,977

Turnover increased in the year due to increased global sales from £29.1m to £30.3m. However operating profit reduced from £10.6m to £8.6m due to increasing costs and a less favourable exchange rate than the year before.

The groups financial position remains strong, despite net assets decreasing during the year by £622k.

# **STANTON HOLDING LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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On behalf of the board

S Fairburn

Director

Date: 9 June 2022

# STANTON HOLDING LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2021

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The directors present their report and financial statements for the year ended 30 September 2021.

#### Principal activities

The group's principal activity during the year continued to be the manufacture and sale of agricultural machinery and parts. The company acts as a holding company.

The group operates from premises in Stanton, Suffolk and has a subsidiary, Shelbourne Reynolds Inc., which operates from premises in Colby, Kansas.

#### Results and dividends

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £7,522,746 (2020: £2,967,098).

#### Directors

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

A Kuznetsov

(Resigned 8 November 2021)

L Obratsova

S Fairburn

#### Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### Research and development

The group has a policy of continued development of its current products and also for the design and development of new products. These costs are charged to the profit and loss account and are disclosed in note 6.

#### Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

#### Information in the Strategic Report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has been done so in respect of the fair review of the business and future outlook and financial risk management and objectives and policies.

#### Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

# **STANTON HOLDING LIMITED**

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

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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On behalf of the board



.....  
S Fairburn  
Director

Date: 9 June 2022 .....

# **STANTON HOLDING LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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

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

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



# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STANTON HOLDING LIMITED**

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## **Opinion**

We have audited the financial statements of Stanton Holding Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2021 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

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

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STANTON HOLDING LIMITED (CONTINUED)**

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

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

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 6, 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

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

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STANTON HOLDING LIMITED (CONTINUED)

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As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and evaluation of computations provided by external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected any correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls, revenue recognition and related party transactions within the company as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and any transactions entered into outside the normal course of business, performing tests of detail in relation to revenue recognition and reviewing the cut-off and completeness of revenue transactions throughout the year and at year end and performing tests of detail in respect of related party transactions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

### Use of our report

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

*Claire Sutherland*

Claire Sutherland (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Blenheim House  
Newmarket Road  
Bury St Edmunds  
Suffolk, IP33 3SB

19/05/22  
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# STANTON HOLDING LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	30,317,956	29,117,323
Cost of sales		(17,058,299)	(15,611,756)
<b>Gross profit</b>		13,259,657	13,505,567
Administrative expenses		(4,689,062)	(2,997,077)
Other operating income		48,835	53,008
<b>Operating profit</b>	<b>6</b>	8,619,430	10,561,498
Interest receivable and similar income	<b>8</b>	15,606	43,296
<b>Profit before taxation</b>		8,635,036	10,604,794
Tax on profit	<b>9</b>	(1,732,920)	(2,046,146)
<b>Profit for the financial year</b>		6,902,116	8,558,648
<b>Other comprehensive income net of taxation</b>			
Currency translation differences		(918)	(62,998)
<b>Total comprehensive income for the year</b>		6,901,198	8,495,650

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

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

**STANTON HOLDING LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 30 SEPTEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Goodwill	11	306,450		381,500	
Tangible assets	12	3,432,795		3,533,019	
		<u>3,739,245</u>		<u>3,914,519</u>	
<b>Current assets</b>					
Stocks	15	6,304,548		5,610,900	
Debtors	16	5,201,763		5,058,673	
Cash at bank and in hand		18,785,038		14,673,181	
		<u>30,291,349</u>		<u>25,342,754</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(7,317,545)</u>		<u>(1,968,839)</u>	
<b>Net current assets</b>		<u>22,973,804</u>		<u>23,373,915</u>	
<b>Total assets less current liabilities</b>		<u>26,713,049</u>		<u>27,288,434</u>	
<b>Provisions for liabilities</b>	18	<u>(372,620)</u>		<u>(326,457)</u>	
<b>Net assets</b>		<u><u>26,340,429</u></u>		<u><u>26,961,977</u></u>	
<b>Capital and reserves</b>					
Called up share capital	21	3,752,704		3,752,704	
Profit and loss reserves	22	22,587,725		23,209,273	
<b>Total equity</b>		<u><u>26,340,429</u></u>		<u><u>26,961,977</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 9 June 2022...  
and are signed on its behalf by:

.....  
S Fairburn  
Director

**STANTON HOLDING LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 30 SEPTEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	12		1		1
Investments	13		4,200,000		4,200,000
			<u>4,200,001</u>		<u>4,200,001</u>
<b>Current assets</b>					
Debtors	16	30,255		229,126	
Cash at bank and in hand		5,234,447		327,214	
		<u>5,264,702</u>		<u>556,340</u>	
<b>Creditors: amounts falling due within one year</b>	17	(5,509,353)		(723,885)	
<b>Net current liabilities</b>			<u>(244,651)</u>		<u>(167,545)</u>
<b>Total assets less current liabilities</b>			<u>3,955,350</u>		<u>4,032,456</u>
<b>Capital and reserves</b>					
Called up share capital	21		3,752,704		3,752,704
Profit and loss reserves	22		202,646		279,752
<b>Total equity</b>			<u>3,955,350</u>		<u>4,032,456</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £7,445,640 (2020 - £2,405,104 profit).

The financial statements were approved by the board of directors and authorised for issue on 9 June 2022 and are signed on its behalf by:

.....  
S Fairburn  
Director

# STANTON HOLDING LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 October 2019</b>		3,752,704	17,680,721	21,433,425
<b>Year ended 30 September 2020:</b>				
Profit for the year		-	8,558,648	8,558,648
Other comprehensive income net of taxation:				
Currency translation differences		-	(62,998)	(62,998)
Total comprehensive income for the year		-	8,495,650	8,495,650
Dividends	10	-	(2,967,098)	(2,967,098)
<b>Balance at 30 September 2020</b>		3,752,704	23,209,273	26,961,977
<b>Year ended 30 September 2021:</b>				
Profit for the year		-	6,902,116	6,902,116
Other comprehensive income net of taxation:				
Currency translation differences		-	(918)	(918)
Total comprehensive income for the year		-	6,901,198	6,901,198
Dividends	10	-	(7,522,746)	(7,522,746)
<b>Balance at 30 September 2021</b>		3,752,704	22,587,725	26,340,429

# STANTON HOLDING LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 October 2019</b>		3,752,704	841,746	4,594,450
<b>Year ended 30 September 2020:</b>				
Profit and total comprehensive income for the year		-	2,405,104	2,405,104
Dividends	10	-	(2,967,098)	(2,967,098)
<b>Balance at 30 September 2020</b>		3,752,704	279,752	4,032,456
<b>Year ended 30 September 2021:</b>				
Profit and total comprehensive income for the year		-	7,445,640	7,445,640
Dividends	10	-	(7,522,746)	(7,522,746)
<b>Balance at 30 September 2021</b>		3,752,704	202,646	3,955,350



# STANTON HOLDING LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	23	14,242,558		10,511,013	
Income taxes paid		(2,013,992)		(2,625,190)	
<b>Net cash inflow from operating activities</b>		<b>12,228,566</b>		<b>7,885,823</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(419,386)		(1,060,760)	
Proceeds on disposal of tangible fixed assets		39,621		677	
Other investments and loans made		(76,776)		(10,021)	
Interest received		15,606		43,296	
<b>Net cash used in investing activities</b>		<b>(440,935)</b>		<b>(1,026,808)</b>	
<b>Financing activities</b>					
Dividends paid to equity shareholders		(7,522,746)		(2,967,098)	
<b>Net cash used in financing activities</b>		<b>(7,522,746)</b>		<b>(2,967,098)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>4,264,885</b>		<b>3,891,917</b>	
Cash and cash equivalents at beginning of year		14,673,181		10,915,059	
Effect of foreign exchange rates		(153,028)		(133,795)	
<b>Cash and cash equivalents at end of year</b>		<b>18,785,038</b>		<b>14,673,181</b>	

# STANTON HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 1 Accounting policies

#### Company information

Stanton Holding Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 80 Guildhall Street, Bury St Edmunds, Suffolk, England, IP33 1QB.

The group consists of Stanton Holding Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

#### Accounting convention

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

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

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

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

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

#### Basis of consolidation

The consolidated financial statements incorporate those of Stanton Holding Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 30 September 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

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

# STANTON HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 1 Accounting policies (Continued)

#### Going concern

During the year and subsequent to the year end the effects of COVID-19 and related actions of governments and authorities to contain it continued to cause severe disruption to the global economies. At the date of approval of the financial statements recovery in the supply chain continues to be slow combined with rising energy costs, raw materials and freight costs. The Group has performed financial modelling for the period ended 30 September 2023 and have considered the likely impacts of these factors on its forecast position and financial resilience. Whilst recognising the challenges this presents, the Group has sufficient cash reserves and unencumbered assets. Having considered all of the factors noted above, the directors have not identified any material uncertainties in relation to going concern. They have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future being at least 12 months from the date of approval of the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Turnover

Turnover represents amounts received or receivable during the year for goods and services provided in the ordinary nature of the business, exclusive of value added tax.

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

#### Research and development expenditure

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

#### Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

#### Tangible fixed assets

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

Depreciation is recognised so as to write off the cost of assets less their residual values, except freehold land, evenly over their useful lives, except where stated, on the following bases:

Land and buildings freehold	over 40 years
Plant and machinery	over 5 to 8 years
Office equipment	over 3 to 10 years
Motor vehicles	over 3 to 5 years and 25% reducing balance

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

#### Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

# STANTON HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 1 Accounting policies (Continued)

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

#### **Stocks**

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

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

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand.

#### **Financial instruments**

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

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

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

#### **Basic financial assets**

Basic financial assets include trade and other debtors and cash and bank balances.

#### **Debtors**

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

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

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

#### **Basic financial liabilities**

Basic financial liabilities, include trade and other creditors, amounts owed to group undertakings and accruals.

#### **Trade creditors**

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

#### **Equity instruments**

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

# STANTON HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 1 Accounting policies (Continued)

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

#### **Deferred tax**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxation profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the period in which timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

#### **Provisions**

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provision is made for liabilities arising in respect of specific warranty claims.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### **Retirement benefits**

The group makes contributions into individual personal pension schemes of certain employees and directors. The contributions to the schemes are charged to profit or loss in the period in which they become payable.

#### **Leases**

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

# STANTON HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 1 Accounting policies (Continued)

#### **Government grants**

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

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### **Foreign exchange**

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

### 2 Judgements and key sources of estimation uncertainty

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

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

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### **Stock**

Stock is valued at the lower of cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment and inventory loss trends.

#### **Warranty provisions**

Provisions for warranty claims are calculated on an individual product line basis and recognised when the company becomes aware of a potential defect. The calculation requires judgements to be made, including a forecast of the number of products that are affected, the likelihood of claims being made and the costs associated with rectifying the defect.

# STANTON HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 2 Judgements and key sources of estimation uncertainty (Continued)

#### Key sources of estimation uncertainty

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

#### Useful economic lives of tangible assets

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

#### Labour rates

Work in progress is sensitive to changes in the estimated general labour rate of the workforce. This labour rate is amended to reflect the effects of variations in the workforce, working hours, production costs and budgeted hours.

### 3 Turnover and other revenue

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

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Turnover from principal activity	30,317,956	29,117,323
	<u>                    </u>	<u>                    </u>
	2021 £	2020 £
<b>Other revenue</b>		
Interest income	15,606	43,296
Grants received	48,835	53,008
	<u>                    </u>	<u>                    </u>

A geographical analysis of turnover has not been disclosed as, in the opinion of the directors, it would be seriously prejudicial to the company's interests.

# STANTON HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 4 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Office and management	49	48	2	2
Manufacturing	111	109	-	-
Total	160	157	2	2

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	5,614,130	5,181,189	-	-
Social security costs	559,274	540,945	-	-
Pension costs	106,221	101,151	-	-
	6,279,625	5,823,285	-	-

### 5 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	252,985	274,280

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	179,434	191,754



# STANTON HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 6 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	27,731	(1,369,548)
Research and development costs	71,512	49,615
Government grants	(48,835)	(53,008)
Depreciation of owned tangible fixed assets	546,350	508,810
Profit on disposal of tangible fixed assets	(38,250)	(677)
Amortisation of intangible assets	75,050	75,050
Operating lease charges	68,189	88,367
	<u>          </u>	<u>          </u>

### 7 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	5,775	5,350
Audit of the financial statements of the company's subsidiaries	24,750	24,000
	<u>          </u>	<u>          </u>
	30,525	29,350
	<u>          </u>	<u>          </u>

### 8 Interest receivable and similar income

	2021 £	2020 £
<b>Interest income</b>		
Interest on bank deposits	5,891	38,533
Other interest income	9,715	4,763
	<u>          </u>	<u>          </u>
Total income	15,606	43,296
	<u>          </u>	<u>          </u>

### 9 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	1,456,558	1,728,235
Adjustments in respect of prior periods	3,962	-
	<u>          </u>	<u>          </u>
Total UK current tax	1,460,520	1,728,235
	<u>          </u>	<u>          </u>
Foreign current tax on profits for the current period	186,796	179,313
	<u>          </u>	<u>          </u>
Total current tax	1,647,316	1,907,548
	<u>          </u>	<u>          </u>

# STANTON HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 9 Taxation (Continued)

#### Deferred tax

Origination and reversal of timing differences	6,967	125,608
Changes in tax rates	78,637	12,990
	<u>85,604</u>	<u>138,598</u>
Total deferred tax		
	<u>85,604</u>	<u>138,598</u>
Total tax charge	1,732,920	2,046,146
	<u>1,732,920</u>	<u>2,046,146</u>

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	8,635,036	10,604,794
	<u>8,635,036</u>	<u>10,604,794</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	1,640,657	2,014,911
Tax effect of expenses that are not deductible in determining taxable profit	2,511	677,002
Tax effect of income not taxable in determining taxable profit	14,635	(611,192)
Adjustments in respect of prior years	3,962	-
Depreciation on assets not qualifying for tax allowances	(6,002)	8,350
Research and development tax credit	(54,836)	(55,914)
Effect of overseas tax rates	51,826	-
Group income	57,180	-
Remeasurement of deferred tax for change in tax rates	22,987	12,989
	<u>1,732,920</u>	<u>2,046,146</u>
Taxation charge		
	<u>1,732,920</u>	<u>2,046,146</u>

### 10 Dividends

	2021 £	2020 £
Recognised as distributions to equity holders:		
Interim paid	7,522,746	2,967,098
	<u>7,522,746</u>	<u>2,967,098</u>

# STANTON HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 11 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 1 October 2020 and 30 September 2021	1,500,996
<b>Amortisation and impairment</b>	
At 1 October 2020	1,119,496
Amortisation charged for the year	75,050
At 30 September 2021	1,194,546
<b>Carrying amount</b>	
At 30 September 2021	306,450
At 30 September 2020	381,500

The company had no intangible fixed assets at 30 September 2021 or 30 September 2020.

### 12 Tangible fixed assets

Group	Land and buildings freehold £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 October 2020	2,398,279	4,797,229	456,209	356,154	8,007,871
Additions	8,095	349,350	44,441	17,500	419,386
Disposals	-	(30,017)	(27,259)	(34,907)	(92,183)
Exchange adjustments	-	44,792	18,517	24,784	88,093
At 30 September 2021	2,406,374	5,161,354	491,908	363,531	8,423,167
<b>Depreciation and impairment</b>					
At 1 October 2020	748,486	3,106,154	388,238	231,974	4,474,852
Depreciation charged in the year	50,632	403,139	36,317	56,262	546,350
Eliminated in respect of disposals	-	(30,017)	(27,197)	(33,598)	(90,812)
Exchange adjustments	-	32,703	15,570	11,709	59,982
At 30 September 2021	799,118	3,511,979	412,928	266,347	4,990,372
<b>Carrying amount</b>					
At 30 September 2021	1,607,256	1,649,375	78,980	97,184	3,432,795
At 30 September 2020	1,649,793	1,691,075	67,971	124,180	3,533,019

# STANTON HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 12 Tangible fixed assets (Continued)

Company	Motor vehicles £
<b>Cost</b>	
At 1 October 2020 and 30 September 2021	11,400
<b>Depreciation and impairment</b>	
At 1 October 2020 and 30 September 2021	11,399
<b>Carrying amount</b>	
At 30 September 2021	1
At 30 September 2020	1

Freehold land and buildings includes £343,320 (2020: £343,320) of land which is not depreciated by the group.

### 13 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	14	-	-	4,200,000	4,200,000

#### Movements in fixed asset investments

Company	Shares in group undertakings £
<b>Cost</b>	
At 1 October 2020 and 30 September 2021	4,200,000
<b>Carrying amount</b>	
At 30 September 2021	4,200,000
At 30 September 2020	4,200,000

# STANTON HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 14 Subsidiaries

Details of the company's subsidiaries at 30 September 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Shelbourne Reynolds Engineering Limited	Shepherds Grove Industrial Estate, Stanton, Bury St Edmunds, Suffolk, IP31 2AR, UK	Manufacture and sale of agricultural machinery	Ordinary	100	-
Shelbourne Reynolds, Inc.	1250 South Country, Club Drive, Colby, Kansas, 67701, USA	Distribution, sale and servicing of agricultural machinery	Ordinary	-	100

### 15 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Raw materials and consumables	721,126	337,265	-	-
Work in progress	4,554,042	4,232,613	-	-
Finished goods and goods for resale	1,029,380	1,041,022	-	-
	<u>6,304,548</u>	<u>5,610,900</u>	<u>-</u>	<u>-</u>

### 16 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
<b>Amounts falling due within one year:</b>				
Trade debtors	4,443,669	4,798,148	-	196,532
Corporation tax recoverable	419,412	52,736	22,882	10,474
Other debtors	130,958	32,141	7,373	22,120
Prepayments and accrued income	207,724	175,648	-	-
	<u>5,201,763</u>	<u>5,058,673</u>	<u>30,255</u>	<u>229,126</u>

# STANTON HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Other borrowings		599,704	599,704	599,704	599,704
Trade creditors		1,535,066	866,037	-	-
Amounts owed to group undertakings		4,759,231	9,230	4,900,229	114,761
Other taxation and social security		121,187	286,372	-	-
Other creditors		33,238	10,169	-	-
Accruals and deferred income		269,119	197,327	9,420	9,420
		<u>7,317,545</u>	<u>1,968,839</u>	<u>5,509,353</u>	<u>723,885</u>

### 18 Provisions for liabilities

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Warranty claims		38,000	77,441	-	-
Deferred tax liabilities	19	334,620	249,016	-	-
		<u>372,620</u>	<u>326,457</u>	<u>-</u>	<u>-</u>

A provision of £38,000 (2020: £77,441) has been recognised for expected warranty claims on goods sold during the last 2 years. It is expected that most of this expenditure will be incurred in the next financial year.

The warranty provision represents the group's liability in respect warranties granted on products. The amount provided represents management's best estimate of the future cash outflows in respect of those products still within the warranty period at the year end. It is based on past experience and costs incurred which are monitored on a regular basis.

Movements on provisions apart from deferred tax liabilities:

Group	Warranty claims £
At 1 October 2020	77,441
Additional provisions in the year	38,000
Utilisation of provision	(77,441)
At 30 September 2021	<u>38,000</u>

# STANTON HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 19 Deferred taxation

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

	Liabilities 2021 £	Liabilities 2020 £
<b>Group</b>		
Fixed asset timing differences	335,386	249,824
Short term timing differences	(766)	(808)
	<u>334,620</u>	<u>249,016</u>

The company has no deferred tax assets or liabilities.

	Group 2021 £	Company 2021 £
<b>Movements in the year:</b>		
Liability at 1 October 2020	249,016	-
Charge to profit or loss	85,604	-
Liability at 30 September 2021	<u>334,620</u>	<u>-</u>

### 20 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>106,221</u>	<u>101,151</u>

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

Contributions totalling £3,061 (2020: £9,920) were payable to the fund at the year end and are included in creditors.

### 21 Share capital

	Group and Company			
	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary of £1 each	<u>3,752,704</u>	<u>3,752,704</u>	<u>3,752,704</u>	<u>3,752,704</u>

# STANTON HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 22 Reserves

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

### 23 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	6,902,116	8,558,648
<b>Adjustments for:</b>		
Taxation charged	1,732,920	2,046,146
Investment income	(15,606)	(43,296)
Gain on disposal of tangible fixed assets	(38,250)	(677)
Amortisation and impairment of intangible assets	75,050	75,050
Depreciation and impairment of tangible fixed assets	546,350	508,810
Foreign exchange gains on cash equivalents	123,999	70,897
Decrease in provisions	(39,441)	(27,910)
<b>Movements in working capital:</b>		
Increase in stocks	(693,648)	(162,283)
Decrease/(increase) in debtors	300,362	(391,937)
Increase/(decrease) in creditors	5,348,706	(122,435)
<b>Cash generated from operations</b>	<b>14,242,558</b>	<b>10,511,013</b>

### 24 Analysis of changes in net funds - group

	1 October 2020 £	Cash flows £	Exchange rate movements £	30 September 2021 £
Cash at bank and in hand	14,673,181	4,264,885	(153,028)	18,785,038
Borrowings excluding overdrafts	(599,704)	-	-	(599,704)
	<u>14,073,477</u>	<u>4,264,885</u>	<u>(153,028)</u>	<u>18,185,334</u>



# STANTON HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 25 Operating lease commitments

#### Lessee

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

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	59,776	62,618	-	-
Between one and five years	24,197	72,470	-	-
	<u>83,973</u>	<u>135,088</u>	<u>-</u>	<u>-</u>

### 26 Events after the reporting date

Subsequent to the year end, the directors proposed interim dividends in respect of the 2022 year totalling £2,500,000.

### 27 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel of the group is as follows.

	2021 £	2020 £
Aggregate compensation	<u>1,612,098</u>	<u>1,467,550</u>

Included in the above figures are employer's national insurance contributions of £177,011 (2020: £150,821).

#### Transactions with related parties

During the year the company declared dividends of £7,147,746 (2020: £2,820,098) to PRP Limited, the ultimate parent company by virtue of owning 95% of the shares of the company, and £375,000 (2020: £147,000) to A Kuznetsov, a director and shareholder of the company. £4,750,000 (2020: £Nil) of the dividend declared to PRP Limited was retained within the company at the balance sheet date.

At the year end £599,704 (2020: £599,704) was owed to L Obratsova and is included in creditors.

# **STANTON HOLDING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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### **28 Controlling party**

Throughout the year, the ultimate parent company was PRP Limited, a company incorporated in the Marshall Islands.

The ultimate controlling party is Daniel Greenberg, by virtue of being the ultimate beneficial owner of Apogee Asset Management Limited which is the sole trustee of the discretionary trust which holds the shares in the ultimate parent company, PRP Limited, a company incorporated in the Marshall Islands.

The consolidated financial statements of Stanton Holdings Limited can be obtained from Companies House, Cardiff.