

Registered number: 03008449

ELTA GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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ELTA GROUP LIMITED

COMPANY INFORMATION

Directors	D L Ball (Chairman) J F Truscott M W Rickard
Company secretary	S D Hunt
Registered number	03008449
Registered office	Unit 46 Third Avenue Pensnett Trading Estate Kingswinford West Midlands DY6 7US
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 17th Floor 103 Colmore Row Birmingham B3 3AG
Bankers	Barclays Bank plc PO Box 3333 One Snowhill Snowhill Queensway Birmingham B3 2WN

ELTA GROUP LIMITED

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ELTA GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Introduction

The Directors present the Strategic Report together with the Directors' Report and the audited financial statements of Elta Group Limited ("the company") for the year ended 31 March 2022.

Business review

Elta Group sales of current operations have in the year increased by 10.1% from £129.8m to £142.8m, purely from organic growth in the period. Growth has been aided by the global economy slowly emerging from the restraints of the global pandemic and price increases, reflecting substantial movement in raw materials.

The servicing of the Group's customers is of significant importance to the Group and during the year, the Group like many other businesses encountered challenges around the supply chain, largely due to the Global pandemic and the War in Ukraine. In order to combat this the Group has invested significantly in its stock holding. The Group's stock value has increased by 25% from £28.6m to £35.8m, the investment in stocks continues after the year end as the Group continues to strive to ensure customer requirements are met.

Australasia continues to be the largest geographical region of the Group. We are also pleased to report that businesses in both Australia and New Zealand continue to uphold market leading positions. Elta Group Africa continues to perform strongly, despite a difficult and increasingly uncertain market.

As a privately owned company, Elta Group continues on a strong financial footing and established heritage. The Group's strategic focus across all its operations continues to be the enhancement of air quality for people, animals, buildings and equipment. This purpose drives product research and development strategies, supply chain selection, training and education of our people and represents our firm commitment to upholding the integrity of the ventilation industry.

The Group's core values ensure that the Group never deviates from the initial identity of the company, creating a welcoming environment in which everyone is encouraged to reach their full potential and strive towards the purpose of enhancing life through air. These values are integral to our success;

Focus - Making it happen

Accountability - Everyone's responsibility

People - Trust in each other

Integrity - Doing the right thing

Vision - Thinking beyond

Principal risks and uncertainties

The global market for ventilation products remains relatively stable, with low risk of product obsolescence as a result of fundamental technological change. In addition, the Group supplies products across a number of sectors and geographies, thereby limiting any exposure to a deterioration in any particular geographical market. Furthermore the Group continues to invest in the expansion of its portfolio, both through investment in technology development and securing its own intellectual property for the future, but also through portfolio diversification through which to develop new regions and market segments.

ELTA GROUP LIMITED

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

There are always competitive pricing pressures across all our products and geographies. However the Group is well placed to exploit sales opportunities at all price points in key markets through the development of a tiered product range, to meet the diverse needs of each customer segment and route to market.

There is a risk that the Group does not have adequate financial resources and bank facilities in place to enable continued trading. Management is satisfied, however, that the overall Elta Group has sufficient funds available to ensure all entities are able to continue trading for the foreseeable future.

Financial key performance indicators

The key performance indicators used by management are as follows:

	2022	2021
Return on capital employed %	20%	25%
Gross profit margin %	38%	37%
Sales per employee £	£163k	£146k

1. Return on capital employed: operating profit as a percentage of equity shareholders' funds plus interest-bearing long-term liabilities.
2. Gross profit margin: gross profit as a percentage of turnover.
3. Sales per employee: turnover divided by number of employees.

Directors' statement of compliance with duty to promote the success of the Group

The board of directors of Elta Group Limited have had regard to the matters set out in the companies Act Section 172(1) (a) to (f) when performing their duties under section 172. Both individually and collectively, the Directors have acted in a way they consider, in good faith, would be the most likely to promote the success of the Group for the benefit of its members. The board has clearly established the desired purpose, culture, and values of the organisation through the articulation of its vision, strategy, and implementation plans, through to frequent communications to staff at all levels.

The plan is designed to deliver a long-term plan, sustainable beneficial to shareholders and stakeholders alike through managed growth, both organic and via acquisitions. Actual performance is regularly reviewed against this plan to ensure delivery for both shareholders and stakeholders alike.

Our employees are fundamental to the delivery of this plan. We aim to be a responsible employer, with constant regard for the health and safety of all those that work for us. We invest significant time and money in the development of our staff both to meet our need for growing number of talented individuals to drive our growth and to provide rich and rewarding careers for them.

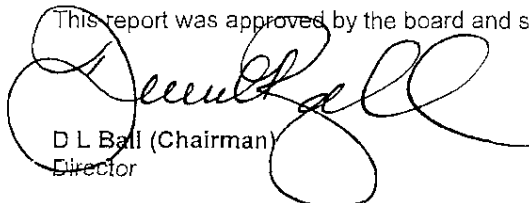
Our relationship with our business partners, including customers and suppliers, is also key to the continued growth of the business. The board fully understand the need to give this consideration in the Group's decision-making process and as such always looks to ensure that it maintains good working relationships. The Group is focused on customer expectations and strives to ensure all customer expectations are fully met via developing long standing close relationships. It also seeks to treat all suppliers in a fair and equitable manner at all times.

The Directors are also conscious of the potential negative impact our operations can have on the environment and therefore look to minimise our environmental footprint wherever possible. In summary, as a board, our intention is to always behave responsibly and ensure that our employees and we operate the business in a responsible and ethical manner, maintaining exemplary standards of business conduct and governance. We will continue to nurture and build our reputation for these high standards for the benefit of all stakeholders, thereby helping to ensure that we deliver on our plan in a long term, sustainable manner.

ELTA GROUP LIMITED

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

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



D L Ball (Chairman)
Director

Date: 9th NOVEMBER 2022

ELTA GROUP LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

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

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £9,986,000 (2021 - £9,430,000).

During the year, the directors did not recommend the issue of a dividend (2021: £Nil).

Going concern

Despite the adverse impact of Covid-19 on the Global economy the Group has not needed to increase its external borrowing during this period, in fact the Group has seen some strong performance during the calendar years 2021 and 2022 both in profitability and cash flow. Forecasts have been prepared bottom up and include a number of key assumptions, including forecasted sales growth of 9%, the payment of further contingent consideration amounts on acquisitions and an increase in working capital requirements of 8%.

Sensitised forecasts for the going concern period (being period to December 2023) have been prepared and take into account current circumstances and performance at a business unit level, these show the continuation of these cash flows and will be substantially sufficient to meet the Group's financing repayments and committed investments. The Directors have performed a reverse stress test and note that the assumptions required to break the going concern model are unreasonable. These forecasts also include amounts that could be scaled back if required including continued capital expenditure in the Group. The Directors have also considered the potential risks to the business over that period, including Covid-19, the Ukraine crisis, the cost-of-living crisis, and other unforeseen events, and are confident in the company's ability to withstand such occurrences.

The Group maintains strong relationships with its customers, with the pandemic augmenting the Group's purpose of enhancing life through air greater significance in the marketplace. The Group maintains strong relationships with its current bankers. In the event of an unexpected adverse event, the Group has a number of options available over and above its current healthy cash reserves, including current banking facilities that are already in place. After reviewing the Group's forecasts and projections, the Directors have reasonable expectations that the Group has adequate resources to continue in operational existence for the foreseeable future.

Directors

The directors who served during the year were:

D L Ball (Chairman)
J F Truscott
M W Rickard

ELTA GROUP LIMITED

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

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial instruments

The Group's operations expose it to a variety of financial risks including the effects of changes in interest rates on debt, foreign currency exchange rates, credit risk and liquidity risk.

The Group uses financial instruments where they are judged appropriate to manage its exposure to material risks in the above areas. The Group does not use derivative financial instruments for speculative purposes.

The main risks arising from the Group's financial instruments can be analysed as follows:

Foreign currency risk

The Group, through its trading subsidiaries, is exposed to the risk of fluctuations in foreign currency exchange rates. Where this risk is considered significant within the operations of a subsidiary, it is managed through the purchase of forward foreign exchange contracts. The main foreign currencies in which the Group operates are the Australian Dollar, the New Zealand Dollar, the South African Rand, the Euro and the US Dollar. The Group is also exposed to translation risk on the consolidation of its overseas subsidiaries. Exposure to this risk is not actively managed, because any gains or losses arising on consolidation are unrealised and liable to subsequent reversal.

ELTA GROUP LIMITED

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

Credit risk

The Group's principal financial assets are cash and bank balances and trade debtors, which represent the most significant exposure to credit risk in relation to financial assets. Credit risk is managed by continually evaluating the creditworthiness of individual customers. Trade debtors are stated net of provisions for specific doubtful debts, which are based on the circumstances of individual customers in the context of the prevailing economic climate. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

The Group has a policy of continuous assessment of its funding requirements and arranges financing with regard to its operational needs. The directors have prepared forecasts extending to December 2023 and are satisfied that the Group has adequate resources to fund its day to day requirements, growth and strategic objectives for the foreseeable future. Accordingly the financial statements have been prepared on the going concern basis.

Cash flow interest rate risk

Interest bearing assets comprise cash and bank deposits, which earn interest at market rates. The interest rate on the Group's overdraft is also at market rate. The overdraft is maintained at a level which ensures that a change in the level of interest rate would not have a material impact on the Group's ability to service the debt. Long-term borrowings are at fixed rates to provide certainty over the cost of future interest payments on these amounts. The directors monitor the overall level of borrowing and interest costs.

Engagement with employees

During the year the company continued with its policy of training and development for all employees. By improving the skills of our staff the company aims to continue with the high level of staff retention we have currently and provide clear internal promotion opportunities. The business operates regular personal development reviews for all members of staff, where training and development plans are made for each individual. Communication with our staff has once again been improved during the year.

Disabled employees

The company makes every reasonable effort to give disabled applicants and existing employees who become disabled, equal opportunities for work, training and career development in keeping with their individual aptitudes and abilities.

Qualifying third party indemnity provisions

The company has provided qualifying indemnity provisions in respect of the board of directors which were in force during the year and at the date of this report.

Matters covered in the strategic report

A business review, the principal risks and uncertainties facing the Group, the Section 172 statement and key performance indicators have been included within the Strategic Report.

ELTA GROUP LIMITED

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

Disclosure of information to auditor

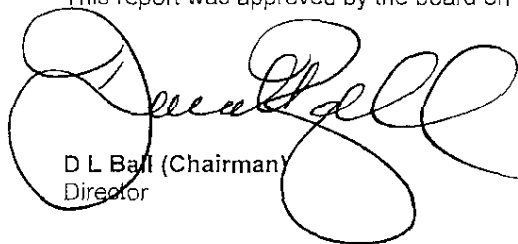
The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 9th NOVEMBER 2022 and signed on its behalf.



D L Ball (Chairman)
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELTA GROUP LIMITED

Opinion

We have audited the financial statements of Elta Group Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 March 2022, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and of the parent company's business model including effects arising from macro-economic uncertainties such as the Ukraine crisis, the cost-of-living crisis, and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and of the parent company's financial resources or ability to continue operations over the going concern period.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELTA GROUP LIMITED (CONTINUED)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and of 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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELTA GROUP LIMITED (CONTINUED)

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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 for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELTA GROUP LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks.
- We understood how the Company is complying with those legal and regulatory frameworks by making enquiries of management and in-house legal counsel. We corroborated our enquiries through our review of board minutes and certain other audit procedures.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls.
- We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation.
 - knowledge of the industry in which the client operates.
 - understanding of the legal and regulatory requirements specific to the entity including the provisions of the applicable legislation, the regulators rules and related guidance and the applicable statutory provisions.
- Team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition and management override of controls.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELTA GROUP LIMITED (CONTINUED)

- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the entity's operations, including the nature of its revenue sources and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the entity's control environment, including the policies and procedures implemented to comply with the entity's relevant regulatory requirements, including the adequacy of procedures for authorisation of transactions, internal review procedures over the entity's compliance with regulatory requirements and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

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.

Grant Thornton UK LLP

David White BA FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
Date: 9/11/2022

ELTA GROUP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £000	2021 £000
Turnover	4	142,841	129,784
Cost of sales		(88,544)	(81,437)
Gross profit		54,297	48,347
Administrative expenses		(39,535)	(37,600)
Other operating income	5	516	1,661
Operating profit	6	15,278	12,408
Interest receivable and similar income	10	219	211
Interest payable and similar expenses	11	(75)	(142)
Profit before taxation		15,422	12,477
Tax on profit	12	(5,222)	(2,922)
Profit for the financial year		10,200	9,555
Currency translation differences		1,560	2,692
Total comprehensive income for the year		11,760	12,247
Profit for the year attributable to:			
Non-controlling interests		214	125
Owners of the parent company		9,986	9,430
		10,200	9,555
Other comprehensive income attributable to:			
Non-controlling interests		51	36
Owners of the parent company		1,509	2,656
		1,560	2,692

The notes on pages 22 to 54 form part of these financial statements.

ELTA GROUP LIMITED
REGISTERED NUMBER:03008449

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	14	4,010	6,012
Tangible assets	15	7,326	6,941
		<u>11,336</u>	<u>12,953</u>
Current assets			
Stocks	17	35,794	28,628
Debtors	18	32,844	29,302
Cash at bank and in hand	19	20,134	14,132
		<u>88,772</u>	<u>72,062</u>
Creditors: due within one year	20	(35,816)	(29,583)
Net current assets		<u>52,956</u>	<u>42,479</u>
Total assets less current liabilities		<u>64,292</u>	<u>55,432</u>
Creditors: due after more than one year	21	(1,047)	(2,469)
Provisions for liabilities			
Other provisions	26	(3,179)	(3,057)
		<u>(3,179)</u>	<u>(3,057)</u>
Net assets		<u><u>60,066</u></u>	<u><u>49,906</u></u>

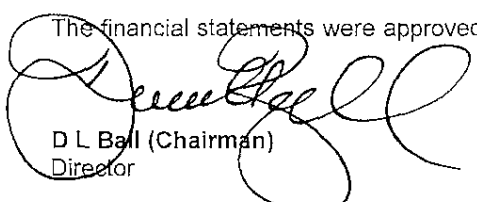
ELTA GROUP LIMITED
REGISTERED NUMBER:03008449

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2022

	Note	2022 £000	2021 £000
Capital and reserves			
Called up share capital	27	900	1,000
Capital redemption reserve	28	1,300	1,200
Profit and loss account	28	57,367	47,372
Equity attributable to owners of the parent company		<u>59,567</u>	<u>49,572</u>
Non-controlling interests		499	334
		<u>60,066</u>	<u>49,906</u>

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

9th NOVEMBER 2022


D L Ball (Chairman)
Director

The notes on pages 22 to 54 form part of these financial statements.

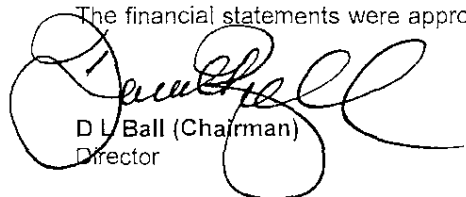
ELTA GROUP LIMITED
REGISTERED NUMBER:03008449

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £000	As restated 2021 £000
Fixed assets			
Intangible assets	14	25	39
Tangible assets	15	21	23
Investments	16	2,713	2,713
		<u>2,759</u>	<u>2,775</u>
Current assets			
Debtors	18	9,093	10,233
Cash at bank and in hand	19	10,604	4,660
		<u>19,697</u>	<u>14,893</u>
Creditors: amounts falling due within one year	20	(11,020)	(12,405)
Net current assets		<u>8,677</u>	<u>2,488</u>
Total assets less current liabilities		<u>11,436</u>	<u>5,263</u>
Creditors: amounts falling due after more than one year	21	-	(500)
Net assets		<u><u>11,436</u></u>	<u><u>4,763</u></u>
Capital and reserves			
Called up share capital	27	900	1,000
Capital redemption reserve	28	1,300	1,200
Profit and loss account	28	9,236	2,563
		<u><u>11,436</u></u>	<u><u>4,763</u></u>

As permitted by section 408 of the Companies Act 2006, the company has elected not to present its own profit and loss account or Statement of Comprehensive Income for the year. The profit attributable to the company is £8,173k (2021: loss of £1,533k).

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


D L Ball (Chairman)
Director

9th NOVEMBER 2022

The notes on pages 22 to 54 form part of these financial statements.

ELTA GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent company	Non- controlling interests	Total equity
	£000	£000	£000	£000	£000	£000
At 1 April 2021	1,000	1,200	47,372	49,572	334	49,906
Comprehensive income for the year						
Profit for the year	-	-	9,986	9,986	214	10,200
Currency translation differences	-	-	1,509	1,509	51	1,560
Other comprehensive income for the year	-	-	1,509	1,509	51	1,560
Total comprehensive income for the year	-	-	11,495	11,495	265	11,760
Dividends paid	-	-	-	-	(100)	(100)
Redemption of ordinary shares	(100)	100	(1,500)	(1,500)	-	(1,500)
Total transactions with owners	(100)	100	(1,500)	(1,500)	(100)	(1,600)
At 31 March 2022	900	1,300	57,367	59,567	499	60,066

The notes on pages 22 to 54 form part of these financial statements.

ELTA GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent company	Non- controlling interests	Total equity
	£000	£000	£000	£000	£000	£000
At 1 April 2020	1,000	1,200	35,286	37,400	172	37,658
Comprehensive income for the year						
Profit for the year	-	-	9,430	9,430	125	9,555
Currency translation differences	-	-	2,656	2,656	36	2,692
Other comprehensive income for the year	-	-	2,656	2,656	36	2,692
Total comprehensive income for the year	-	-	12,086	12,086	161	12,247
Dividends paid	-	-	-	-	(79)	(79)
Acquisition of non- controlling interest	-	-	-	-	80	80
Total transactions with owners	-	-	-	-	1	1
At 31 March 2021	1,000	1,200	47,372	49,572	334	49,906

The notes on pages 22 to 54 form part of these financial statements.

ELTA GROUP LIMITED

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

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 April 2021	1,000	1,200	2,563	4,763
Comprehensive expense for the year				
Profit for the year	-	-	8,173	8,173
Total comprehensive expense for the year	-	-	8,173	8,173
Contributions by and distributions to owners				
Redemption of ordinary shares	(100)	100	(1,500)	(1,500)
At 31 March 2022	900	1,300	9,236	11,436

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 April 2020	1,000	1,200	4,096	6,296
Comprehensive income for the year				
Loss for the year	-	-	(1,533)	(1,533)
Total comprehensive income for the year	-	-	(1,533)	(1,533)
At 31 March 2021	1,000	1,200	2,563	4,763

The notes on pages 22 to 54 form part of these financial statements.

ELTA GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£000	£000
Cash flows from operating activities		
Profit for the financial year	10,200	9,555
Adjustments for:		
Amortisation of intangible assets	2,013	2,005
Depreciation of tangible assets	1,540	1,462
Loss/(profit) on disposal of tangible assets	82	(20)
Interest paid	62	142
Interest received	(219)	(211)
Taxation charge	5,235	2,922
(Increase) in stocks	(7,166)	(1,694)
(Increase) in debtors	(2,569)	(2,670)
Increase/(decrease) in creditors	4,188	(781)
Increase in provisions	121	688
Corporation tax (paid)	(5,850)	(3,472)
Foreign exchange movement	1,131	1,967
Net cash generated from operating activities	8,768	9,893
Cash flows from investing activities		
Purchase of intangible fixed assets	(11)	(16)
Purchase of tangible fixed assets	(2,037)	(1,666)
Sale of tangible fixed assets	135	191
Interest received	219	211
Purchase of subsidiaries	(361)	(1,210)
Net cash from investing activities	(2,055)	(2,490)
Cash flows from financing activities		
Repayment of loans	(500)	(500)
Repayment of other loans	(861)	(4,324)
Loan received	235	-
Repayment of/new finance leases	(98)	72
Interest paid	(33)	(91)
HP interest paid	(30)	(44)
Redemption of Ordinary Shares	(1,500)	-
Dividends paid to non-controlling interests	(100)	(79)
Net cash used in financing activities	(2,887)	(4,966)
Net increase in cash and cash equivalents	3,826	2,437

ELTA GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £000	2021 £000
Cash and cash equivalents at beginning of year	6,245	3,346
Effect of foreign exchange rates	316	463
Cash and cash equivalents at the end of year	<u>10,387</u>	<u>6,246</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	20,134	14,132
Bank overdrafts	(9,747)	(7,886)
	<u>10,387</u>	<u>6,246</u>

The notes on pages 22 to 54 form part of these financial statements.

ELTA GROUP LIMITED

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

1. General information

The company is a private company limited by shares & incorporated in England and Wales on the 11 January 1995.

The registered office of the company is Unit 46 Third Avenue, Pensnett Trading Estate, Kingswinford, West Midlands, DY6 7US.

The principal activity of the Group was that of the design, manufacture and sale of fans and related products. The principal activity of the company during the period was that of a holding company.

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 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

These financial statements are presented in Sterling (£) and rounded to the nearest thousand.

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

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No statement of cash flows has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole;
- The requirement to present related party disclosures with the parent company or fellow subsidiaries where ownership is all 100%; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

ELTA GROUP LIMITED

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

2. Accounting policies (continued)

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

Despite the adverse impact of Covid-19 on the Global economy the Group has not needed to increase its external borrowing during this period, in fact the Group has seen some a strong performance during the calendar year 2022 both in profitability and cash flow. Forecasts have been prepared bottom up and include a number of key assumptions, including forecasted sales growth of 9%, the payment of further contingent consideration amounts on acquisitions and an increase in working capital requirements of 8%.

Sensitised forecasts for the going concern period (being period to December 2023) have been prepared and take into account current circumstances and performance at a business unit level, these show the continuation of these cash flows and will be substantially sufficient to meet the Groups financing repayments and committed investments. The Directors have performed a reverse stress test and note that the assumptions required to break the going concern model are unreasonable. These forecasts also include amounts that could be scaled back if required including continued capital expenditure in the Group. The Directors have also considered the potential risks to the business over that period, including Covid-19, and other unforeseen events, and are confident in the company's ability to withstand such occurrences.

The Group maintains strong relationships with its customers the pandemic has given the Groups purpose of enhancement of life through air greater significance in the marketplace. The Group maintains strong relationships with its current bankers. In the event of an unexpected adverse event, the Group has a number of options available over and above its current healthy cash reserves, including current banking facilities that are already in place. After reviewing the Groups forecasts and projections, the Directors have reasonable expectations that the Group has adequate resources to continue in operational existence for the foreseeable future.

ELTA GROUP LIMITED

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

2. *Accounting policies (continued)*

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue is recognised when control passes to the customer which is generally on delivery of goods. The following criteria must also be met before revenue is recognised:

Sale of goods

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

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

2.5 Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the income statement over its useful economic life, typically five years.

2.6 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.

ELTA GROUP LIMITED

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

2. Accounting policies (continued)

2.6 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 either straight line or reducing balance as detailed below.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Leasehold property	- 2% straight line
Leasehold property improvements	- over the term of the lease
Plant and machinery	- 15% reducing balance
Motor vehicles	- 25% reducing balance
Furniture, fixtures and fittings	- 15% reducing balance
Computer equipment	- 33% straight line

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 the Consolidated Statement of Comprehensive Income.

2.7 Impairment

The carrying amounts of the company's assets are revised at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows cash generating units. As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets or cash-generating units carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation.

Any impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Comprehensive Income.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

ELTA GROUP LIMITED

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

2. Accounting policies (continued)

2.9 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 weighted average 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 the Consolidated Statement of Comprehensive Income.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.12 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

ELTA GROUP LIMITED

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

2. Accounting policies (continued)

2.12 Financial instruments (continued)

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Consolidated Statement of Comprehensive Income in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.15 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

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 the Consolidated Statement of Comprehensive Income.

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

ELTA GROUP LIMITED

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

2. Accounting policies (continued)

2.15 Foreign currency translation (continued)

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.16 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income 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.

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.18 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.19 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income 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 Group in independently administered funds.

2.20 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

ELTA GROUP LIMITED

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

2. Accounting policies (continued)

2.21 Borrowing costs

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

2.22 Provisions for liabilities

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

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

2.23 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

ELTA GROUP LIMITED

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

2. Accounting policies (continued)

2.24 Provisions – Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, attrition rates, any pay increases through promotion and inflation have been taken into account.

2.25 Deferred consideration

Contingent consideration is measured at fair value at each reporting date and is dependent on the outcome of various variables including the acquiree's future profitability.

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

Preparation of the financial statements requires management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

Investments

The company considers the carrying value of investments when there are indicators that the investments may be impaired. This requires an estimation of the recoverable amount through either calculating the fair value less costs to sell or value in use of the investment. Management have compared the investment carrying value to the net assets of the underlying subsidiary in each case, as a proxy for fair value less costs to sell, and recognised an impairment where the investments is deemed irrecoverable.

Provisions - Long service leave

The liability for long service leave in Australia is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, attrition rates, any pay increases through promotions and inflation have been taken into account.

Goodwill amortisation

Goodwill represents the workforce, customer relationships and synergies acquired which are not separable. Management expect these benefits to be consumed by the entity over the course of five years, due to the turnover of both employees and customers and the synergies which will be internally generated over this period taking more precedent by this point in time.

Deferred tax assets

On the basis of forecast future profits, where appropriate, net deferred tax assets arising from the offset of accelerated capital allowances and trading losses have been recognised.

ELTA GROUP LIMITED

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

4. Turnover

The whole of the turnover is attributable to the principal activities of the Group.

Analysis of turnover by country of destination:

	2022 £000	2021 £000
United Kingdom	23,816	22,948
Rest of Europe	9,496	9,092
Rest of the world	109,529	97,744
	<u>142,841</u>	<u>129,784</u>

5. Other operating income

	2022 £000	2021 £000
Other operating income	257	317
Job retention scheme	259	1,344
	<u>516</u>	<u>1,661</u>

Other operating income includes amounts receivable under various job retention schemes to reimburse the Group for wages of certain employees who were furloughed during the period but who remain on the payroll. As this scheme involves a transfer of resources from government to the entity, it meets the definition of a government grant. The scheme is designed to compensate for staff costs, so amounts received are recognised in the Consolidated Statement of Comprehensive Income over the same period as the costs to which they relate.

6. Operating profit

The operating profit is stated after charging:

	2022 £000	2021 £000
Depreciation of tangible fixed assets:		
- owned by the Group	1,381	1,306
- held under finance leases	159	153
Amortisation of intangible assets	2,013	2,006
Other operating lease rentals:		
- plant and machinery	396	369
- land and buildings	4,041	3,847
Profit on sale of tangible fixed assets	82	(20)
	<u> </u>	<u> </u>

ELTA GROUP LIMITED

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

7. Auditor's remuneration

	2022	2021
	£000	£000
Audit of the financial statements of the Group and company	73	65
Audit of the financial statements of the company's subsidiaries	160	174
	<u>233</u>	<u>239</u>
Other services relating to taxation	2	1
Preparation of financial statements	15	12
Services relating to taxation	23	-
	<u>40</u>	<u>13</u>

8. Employees

Staff costs were as follows:

	Group	Group	Company	Company
	2022	2021	2022	2021
	£000	£000	£000	£000
Wages and salaries	29,169	28,198	1,028	1,097
Social security costs	1,481	1,416	112	128
Cost of defined contribution scheme	2,735	2,588	170	170
	<u>33,385</u>	<u>32,202</u>	<u>1,310</u>	<u>1,395</u>

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

	Group	Group	Company	Company
	2022	2021	2022	2021
	No.	No.	No.	No.
Production	381	397	-	-
Administration and selling	494	490	26	25
	<u>875</u>	<u>887</u>	<u>26</u>	<u>25</u>

ELTA GROUP LIMITED

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

9. Directors' remuneration

	2022 £000	2021 £000
Directors' emoluments	601	1,035
Group contributions to defined contribution pension schemes	49	59
	<u>650</u>	<u>1,094</u>

During the year retirement benefits were accruing to 2 directors (2021: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £323,125 (2021: £454,261). The Chairman and the other Directors emoluments totalled £275,629 (2021: £581,084).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £29,841 (2021: £22,287).

10. Interest receivable

	2022 £000	2021 £000
Other interest receivable	<u>219</u>	<u>211</u>

11. Interest payable and similar expenses

	2022 £000	2021 £000
On bank loans and overdrafts	45	77
Dividends accrued on shares classed as debt	-	21
Finance leases and hire purchase contracts	30	44
	<u>75</u>	<u>142</u>

ELTA GROUP LIMITED

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

12. *Taxation*

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	1	4
Adjustments in respect of previous periods	5	(12)
	<u>6</u>	<u>(8)</u>
Foreign tax		
Foreign tax on income for the year	5,630	2,708
Total current tax	<u>5,636</u>	<u>2,700</u>
Deferred tax		
Origination and reversal of timing differences	(119)	222
<i>Adjustments in respect of previous periods</i>	(1)	-
Changes to tax rates	(294)	-
Total deferred tax	<u>(414)</u>	<u>222</u>
Taxation on profit on ordinary activities	<u>5,222</u>	<u>2,922</u>

ELTA GROUP LIMITED

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

12. Taxation (continued)

Factors affecting tax charge for the year

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

	2022 £000	2021 £000
Profit on ordinary activities before tax	15,422	12,345
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	2,930	2,346
Effects of:		
Non-taxable income less expenses not deductible for tax purposes	(634)	(83)
Unutilised tax losses carried forward	(87)	(322)
Adjustments to tax charge in respect of prior periods	5	(12)
Tax rate changes	(294)	-
Different tax rates on overseas earnings	3,282	993
Pre-trading expenses carried forward	20	-
Total tax charge for the year	5,222	2,922

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that the corporation tax rate would remain at 19% until 2023. Following which, the rate of corporation tax will increase to 25% for profits over £250,000. This new law was substantively enacted on March 2021.

13. Dividends

	2022 £000	2021 £000
Ordinary Preference		
Preference dividends paid or accrued	-	21

ELTA GROUP LIMITED

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

14. Intangible assets

Group

	Computer software £000	Goodwill £000	Total £000
Cost			
At 1 April 2021	329	17,947	18,276
Additions	11	-	11
At 31 March 2022	340	17,947	18,287
Amortisation			
At 1 April 2021	243	12,021	12,264
Charge for the year	32	1,981	2,013
At 31 March 2022	275	14,002	14,277
Net book value			
At 31 March 2022	65	3,945	4,010
At 31 March 2021	86	5,926	6,012

ELTA GROUP LIMITED

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

14. Intangible assets (continued)

Company

	Computer Software £000
Cost	
At 1 April 2021	56
At 31 March 2022	<u>56</u>
Amortisation	
At 1 April 2021	17
Charge for the year	14
At 31 March 2022	<u>31</u>
Net book value	
At 31 March 2022	<u><u>25</u></u>
At 31 March 2021	<u><u>39</u></u>

Amortisation on intangible assets is charged to admin expenses.

ELTA GROUP LIMITED

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

15. Tangible fixed assets

Group

	L/Term Leasehold Property £000	Plant & machinery £000	Motor vehicles £000	Total £000
Cost or valuation				
At 1 April 2021	3,982	16,522	2,187	22,691
Additions	127	1,528	382	2,037
Disposals	(221)	(1,775)	(248)	(2,244)
Exchange adjustments	32	296	66	394
At 31 March 2022	3,920	16,571	2,387	22,878
Depreciation				
At 1 April 2021	1,820	12,410	1,520	15,750
Charge for the year	166	1,151	223	1,540
Disposals	(169)	(1,648)	(210)	(2,027)
Exchange adjustments	16	228	45	289
At 31 March 2022	1,833	12,141	1,578	15,552
Net book value				
At 31 March 2022	2,087	4,430	809	7,326
At 31 March 2021	2,162	4,112	667	6,941

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £000	2021 £000
Plant and machinery	107	117
Motor vehicles	278	278
	385	395

ELTA GROUP LIMITED

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

15. Tangible fixed assets (continued)

Company

	Long term Leasehold Property £000	Plant & machinery, furniture, fixtures & fittings & computer equipment £000	Motor vehicles £000	Total £000
Cost				
At 1 April 2021	52	475	50	577
Additions	-	14	-	14
Disposals	-	(10)	-	(10)
At 31 March 2022	52	479	50	581
Depreciation				
At 1 April 2021	44	460	50	554
Charge for the year on owned assets	8	8	-	16
Disposals	-	(10)	-	(10)
At 31 March 2022	52	458	50	560
Net book value				
At 31 March 2022	-	21	-	21
At 31 March 2021	8	15	-	23

ELTA GROUP LIMITED

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

16. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost	
At 1 April 2021	16,248
At 31 March 2022	<u>16,248</u>
Impairment	
At 1 April 2021 (as restated)	13,535
At 31 March 2022	<u>13,535</u>
Net book value	
At 31 March 2022	<u><u>2,713</u></u>
At 31 March 2021	<u><u>2,713</u></u>

During the prior year a provision was recognised for the full amount of the receivable. In the current year it was deemed more appropriate to recognise the provision against the investment Elta Group Limited holds in Elta Holding Limited and therefore the receivable and investment balance as at 31 March 2021 has been restated to reflect this reclassification. There was no impact on the net assets or the profit previously reported.

ELTA GROUP LIMITED

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

16. Fixed asset investments (continued)

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Elta International Limited	Unit 46, Third Avenue Pensnett Trading Estate Kingswinford West Midlands DY6 7US	Holding company	Ordinary	100%
Elta Holding Limited	Unit 46, Third Avenue Pensnett Trading Estate Kingswinford West Midlands DY6 7US	Holding company	Ordinary	100%
The Ventilation Warehouse Limited	Unit 46, Third Avenue Pensnett Trading Estate Kingswinford West Midlands DY6 7US	Dormant	Ordinary	100%
Airtrust Limited	Unit 46, Third Avenue Pensnett Trading Estate Kingswinford West Midlands DY6 7US	Dormant	Ordinary	100%
Elta Select Limited	Unit 46, Third Avenue Pensnett Trading Estate Kingswinford West Midlands DY6 7US	Dormant	Ordinary	100%
Fantech (UK) Limited	Unit 46, Third Avenue Pensnett Trading Estate Kingswinford West Midlands DY6 7US	Dormant	Ordinary	100%
Elta Group Innovations Limited (previously Fastlane Ventilation Equipment Limited)	Unit 46, Third Avenue Pensnett Trading Estate Kingswinford West Midlands DY6 7US	IP and Trade Mark Holding Company	Ordinary	100%
Elta Fans India	165, Bakhrahat Road, Joka, Hanspukur, Kolkata - 700104 West Bengal, India	Distribution of fans and related products	Ordinary	60%

ELTA GROUP LIMITED

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

16. Fixed asset investments (continued)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Aerauliga s.r.l.	Via Mario Calderara, 39/41, 25018 Montichiari BS, Italy	Distribution of fans and related products	Ordinary	100%
Elta Fans Limited	Unit 46 Third Avenue, Pensnett Trading Estate, Kingswinford, West Midlands, DY6 7US	Design, manufacture and sale of fans and related products	Ordinary	100%
Airdesign (UK) Limited	Unit 46 Third Avenue, Pensnett Trading Estate, Kingswinford, West Midlands, DY6 7US	Dormant company	Ordinary	100%
Hydor Limited	Unit 46 Third Avenue, Pensnett Trading Estate, Kingswinford, West Midlands, DY6 7US	Design, manufacture and sale of fans and related products	Ordinary	100%
Duct Products (1998) Limited	2 Green Way, Conlig, Newtownards, BT23 7SU	Dormant company	Ordinary	100%
Duct Products Limited	2 Greenway, Conlig, Newtownards, Co Down, BT23 7SU	Design, manufacture and sale of fans and related products	Ordinary	100%
Fantech Ventilation Limited	13-18 City Quay, Dublin, 2D02 NY19, Republic of Ireland	Manufacture of fans and related products	Ordinary	100%
EG Agri Limited	Elta Group Limited 45 Second Avenue, Pensett Trading Estate, Kingswinford, West Midlands, England, DY6 7US	Sale of animal health products	Ordinary	100%
Elta Group (Africa) (Pty) Limited	11 Ingrid Road, Montague Gardens, Cape Town, Western Cape, South Africa	Manufacture of fans and related products	Ordinary	87.5%
Les Creux Australia Pty Limited	63 Vision Street Dandenong South, VIC 3175	Holding company	Ordinary	100%
Elta Group (Asia Pacific) Pty Limited	63 Vision Street Dandenong South, VIC 3175	Manufacture of fans and related products	Ordinary	100%
Fantech Pty Limited	63 Vision Street Dandenong South, VIC 3175	Manufacture of fans and related products	Ordinary	100%

ELTA GROUP LIMITED

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

16. Fixed asset investments (continued)

Indirect subsidiary undertakings (continued)

Name	Registered office	Principal activity	Class of shares	Holding
Elta Jersey Limited	26 New Street St Helier, Jersey JE2 3RA	Financing company	Ordinary	100%
Aerauliqua (UK) Limited	Unit 46, Third Avenue Pensnett Trading Estate Kingswinford West Midlands DY6 7US	Holding company	Ordinary	91%
Synairgy Limited	46 Third Avenue, Pensnett Trading Estate, Kingswinford, West Midlands, DY6 7US	Sale of fans and related products	Ordinary	100%
Idealair Group Pty Limited	63 Vision Street Dandenong South, VIC 3175	Manufacture of fans and related products	Ordinary	100%
Systemaire Unit Trust	63 Vision Street Dandenong South, VIC 3175	Dormant	Ordinary	100%
Q-Tech Acoustics Pty Limited	63 Vision Street Dandenong South, VIC 3175	Manufacture of fans and related products	Ordinary	100%
Airdesign Queensland Unit Trust	63 Vision Street Dandenong South, VIC 3175	Ordinary	Ordinary	100%
Burra Sheetmetal Pty Limited	63 Vision Street Dandenong South, VIC 3175	Manufacture of fans and related products	Ordinary	100%
Major Air Pty Ltd	7-9 Wilmot Street South Launceston, 7249 Australia	Manufacture of fans and related products	Ordinary	100%
Elta Fans Malaysia Sdn Bhd	Upper Penthouse, WismaRKT, No 2 Jalan Raja Abdullah, Off Jalan Sultan Ismail, 50300 Kuala Lumpur	Manufacture of fans and related products	Ordinary	100%
Fantech (NZ) Limited	7 Lovell Court, Rosedale, Auckland, 0632, New Zealand	Manufacture of fans and related products	Ordinary	100%
The Agri Store Ltd	Unit 46, Third Avenue Pensnett Trading Estate Kingswinford West Midlands DY6 7US	Dormant	Ordinary	100%
Elta Group Building Services Limited	Unit 46, Third Avenue Pensnett Trading Estate Kingswinford West Midlands DY6 7US	Dormant	Ordinary	100%

ELTA GROUP LIMITED

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

16. Fixed asset investments (continued)

Indirect subsidiary undertakings (continued)

Name	Registered office	Principal activity	Class of shares	Holding
Ark Solutions Limited	Rural Enterprise Centre Vincent Carey Road, Rotherwas Industrial Estate, Hereford, England, HR2 6FE	Distribution of fans and related products	Ordinary	100%
The Ventilation Warehouse (NZ) Limited	63 Vision Street Dandenong South, VIC 3175	Distribution of fans and related products	Ordinary	100%
NCS Acoustics Limited	112 Takanini School Road, Takanini, Auckland, 2105, New Zealand	Distribution of fans and related products	Ordinary	100%
Farmtech Services Limited	Unit 46, Third Avenue Pensnett Trading Estate Kingswinford West Midlands DY6 7US	Sale of animal health products	Ordinary	100%
Smooth-Air Products Limited	264 Annex Road, Middleton, Christchurch, 8024, New Zealand	Manufacture of fans and related products	Ordinary	100%
Elta Brelade Limited	Unit 46, Third Avenue Pensnett Trading Estate Kingswinford West Midlands DY6 7US	Financing company	Ordinary	100%

Synairgy Limited (company registration number 08449449), Duct Products Limited (company registration number NI021175), Elta International Limited (company registration number 05535283), Elta Holding Limited (company registration number 07999185), Elta Group Innovations Limited (company registration number 07122869), Aerauliga (UK) Limited (company registration number 07856731), Hydor Limited (company registration number 04776217), Ark Solutions Limited (company registration number 10999776) and Farmtech Services Limited (company registration number 05765389) have taken advantage of the exemption in relation to the audit of their financial statements under section 479A of the Companies Act 2006, as Elta Group Limited has provided those companies with parental guarantees.

ELTA GROUP LIMITED

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

17. Stocks

	Group 2022 £000	Group 2021 £000
Raw materials and consumables	11,700	9,135
Work in progress	2,000	945
Finished goods and goods for resale	22,094	18,548
	<u>35,794</u>	<u>28,628</u>

Stock recognised in costs of sales during the year as an expense was £75,316,877 (2021: £68,259,000).

An impairment charge of £180,899 (2021: charge of £58,041) was recognised in costs of sales against stock during the year due to slow moving and obsolete items.

Inventories are stated after provisions for impairment of £1,230,195 (2021: £1,018,652).

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

18. Debtors

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company As restated 2021 £000
Trade debtors	27,247	24,763	-	-
Amounts owed by group undertakings	-	-	6,918	8,525
Other debtors	1,140	1,139	992	972
Prepayments and accrued income	953	870	357	329
Tax recoverable	657	64	280	-
Deferred taxation (note 25)	2,847	2,466	546	407
	<u>32,844</u>	<u>29,302</u>	<u>9,093</u>	<u>10,233</u>

ELTA GROUP LIMITED

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

18. Debtors (continued)

An impairment of £347,000 (2021: £305,000) was recognised in the year against trade debtors.

Debtors due in more than one year

The company also has a loan note of £8,585,062 (2021: £8,585,062) which was issued by Elta Holding Limited in 2012. The loan is repayable on demand.

During the prior year a provision was recognised for the full amount of the receivable. In the current year a provision of £8,638k was recognised against amounts owed by group undertakings (2021: £7,445k). In the current year it was deemed more appropriate to recognise the provision against the investment Elta Group Limited holds in Elta Holding Limited and therefore the receivable and investment balance as at 31 March 2021 has been restated to reflect this reclassification. There was no impact on the net assets or the profit previously reported.

19. Cash and cash equivalents

	Group	<i>Group</i>	Company	<i>Company</i>
	2022	<i>2021</i>	2022	<i>2021</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Cash at bank and in hand	20,134	14,132	10,604	4,660
Less: bank overdrafts	(9,747)	(7,886)	-	(25)
	<u>10,387</u>	<u>6,246</u>	<u>10,604</u>	<u>4,635</u>

ELTA GROUP LIMITED

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

20. Creditors: Amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Bank overdrafts	9,747	7,886	-	25
Bank loans	500	500	500	500
Other loans	235	-	-	-
Trade creditors	15,819	13,210	218	293
Amounts owed to group undertakings	-	-	8,264	9,533
Corporation tax	580	234	-	-
Other taxation and social security	1,408	1,405	30	58
Obligations under finance lease and hire purchase contracts	228	265	-	-
Contingent consideration	228	589	-	-
Other creditors	537	505	298	307
Accruals and deferred income	6,534	4,989	1,710	1,689
	<u>35,816</u>	<u>29,583</u>	<u>11,020</u>	<u>12,405</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 27.

The term loan incurs interest of 2.25% and is repayable in instalments of £125k payable quarterly. The loan taken out by the company is guaranteed by other Group companies.

The bank overdraft incurs a market rate of interest and the Group has entered into a Composite Accounting Agreement.

Amounts owed to group undertakings are non-interest bearing and have no fixed repayment date.

The purchase of subsidiaries included within the cash flow statement includes £361k on the contingent consideration on previous acquisitions.

ELTA GROUP LIMITED

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

21. Creditors: Amounts falling due after more than one year

	Group 2022 £000	<i>Group 2021 £000</i>	Company 2022 £000	<i>Company 2021 £000</i>
Bank loans	-	500	-	500
Other loans	632	1,493	-	-
Net obligations under finance leases and hire purchase contracts	415	476	-	-
	<u>1,047</u>	<u>2,469</u>	<u>-</u>	<u>500</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 27.

The term loan incurs interest of 2.25% and is repayable in instalments of £125k payable quarterly. The loan taken out by the company is guaranteed by other Group companies.

Amounts owed to group undertakings are non-interest bearing and have no fixed repayment date.

22. Loans

Other loans comprise the following:

	Group 2022 £000	<i>Group 2021 £000</i>	Company 2022 £000	<i>Company 2021 £000</i>
Amounts falling due within one year				
Bank loans	500	500	500	500
Other loans	235	-	-	-
Amounts falling due 1-2 years				
Bank loans	-	500	-	500
Other loans	632	1,493	-	-
	<u>1,367</u>	<u>2,493</u>	<u>500</u>	<u>1,000</u>

ELTA GROUP LIMITED

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

23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £000	Group 2021 £000
Within one year	228	265
Between 1-5 years	415	476
	<u>643</u>	<u>741</u>

Obligations under finance leases and hire purchase contracts are secured on the assets concerned.

24. Financial instruments

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Financial assets				
Cash and cash equivalents	<u>20,134</u>	<u>14,132</u>	<u>10,604</u>	<u>4,660</u>
Financial liabilities				
Financial liabilities measured at fair value through profit or loss	<u>(228)</u>	<u>(589)</u>	<u>-</u>	<u>-</u>

Financial liabilities measured at fair value through profit or loss include contingent consideration.

ELTA GROUP LIMITED

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

25. Deferred taxation

Group

	2022 £000	2021 £000
At beginning of year	2,466	2,124
Credited to profit or loss	413	(222)
Exchange movement	(34)	564
Adjustments in respect of previous periods	1	-
At end of year	2,846	2,466

Company

	2022 £000	2021 £000
At beginning of year	407	406
Credited to profit or loss	138	1
Adjustments in respect of previous periods	1	-
At end of year	546	407

The deferred tax asset is made up as follows:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Fixed asset timing difference	891	625	197	144
Short term timing differences - non trading	1,956	1,841	349	263
	2,847	2,466	546	407

On the basis of forecast future profits, where appropriate, net deferred tax assets arising from the offset of accelerated capital allowances and trading losses have been recognised.

Unrecognised deferred tax assets in respect of losses and timing differences amount to £4,660,000 (2021: £2,844,000) in the Group and £1,899,000 (2021: £1,444,000) in the company.

ELTA GROUP LIMITED

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

26. Provisions

Group

	Warranties £000	Employment entitlements £000	Total £000
At 1 April 2021	242	2,815	3,057
Profit and loss account	(12)	27	15
Foreign exchange	14	93	107
At 31 March 2022	244	2,935	3,179

Provisions for employee entitlements relate to liabilities within foreign subsidiaries of the Group. Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured.

The company has no provisions.

27. Share capital

	2022 £000	2021 £000
Shares classified as equity		
Allotted, called up and fully paid		
900,000 (2021: 1,000,000) Ordinary shares of £1.00 each	900	1,000

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

During the year it was agreed that there was mutual advantages from the Company buying back 100,000 shares from minority shareholders.

28. Reserves

Capital redemption reserve

Relates to the profit on the sale of investments in the UK trading companies from Elta Group Limited to Elta Holding Limited as part of a restructuring in the year ended 31 March 2012. The other reserve will remain undistributable until such time that the profit is realised outside of the Group.

Profit & loss account

Includes all current and prior period retained profits and losses.

ELTA GROUP LIMITED

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

29. Analysis of net debt

	At 1 April 2021 £000	Cash flows £000	Other non- cash changes £000	At 31 March 2022 £000
Cash at bank and in hand	14,132	6,002	-	20,134
Bank overdrafts	(7,886)	(1,861)	-	(9,747)
Debt due after 1 year	(1,993)	861	500	(632)
Debt due within 1 year	(500)	500	(500)	(500)
Finance leases	(741)	265	(167)	(643)
	<u>3,012</u>	<u>5,767</u>	<u>(167)</u>	<u>8,612</u>

30. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £2,735,000 (2021: £2,588,000). Contributions totalling £Nil (2021: £Nil) were payable to the fund at the reporting date.

ELTA GROUP LIMITED

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

31. Commitments under operating leases

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

	Group 2022 £000	<i>Group 2021 £000</i>	Company 2022 £000	<i>Company 2021 £000</i>
Land and buildings				
Not later than 1 year	3,642	3,767	570	648
Later than 1 year and not later than 5 years	9,379	10,982	1,447	2,068
Later than 5 years	9,328	10,326	-	-
	<u>22,349</u>	<u>25,075</u>	<u>2,017</u>	<u>2,716</u>
	Group 2022 £000	<i>Group 2021 £000</i>	Company 2022 £000	<i>Company 2021 £000</i>
Other				
Not later than 1 year	166	214	98	125
Later than 1 year and not later than 5 years	160	302	115	187
	<u>326</u>	<u>516</u>	<u>213</u>	<u>312</u>

32. Related party transactions

The company has taken advantage of the exemption from the requirement to disclose all transactions with its wholly owned subsidiaries.

Aerauliqa (UK) Limited is a 91% owned subsidiary. There were no significant intercompany trading transactions with the Elta Group Limited Group during the year ended 31 March 2022 or the year ended 31 March 2021. The company has not made further loans to Aerauliqa s.r.l. during the year (2021: £Nil) and Aerauliqa s.r.l. owed other Group entities £5,192k at 31 March 2022 (2021: £5,268k).

Elta Group (Africa) (Pty) Limited is a 87.5% owned subsidiary. It paid a dividend during the year to its immediate parent undertaking, Elta International Limited, of £491,849 (2021: £414,063). It made purchases from Elta Fans Limited of £58,006 (2021: £43,696) and from Les Creux Australia of £27,618 (2021: £18,740). The company owed Elta Group Limited £24,614 (2021: £21,769) at 31 March 2022.

Elta Fans India is a 60% owned subsidiary which was purchased in 2020. At 31 March 2022, the company owed £68,164 (2021: £90,566) to Group companies.

Elta Group Limited has a loan outstanding with a Director of £627,000 (2021: £613,000). There is no interest charged by the company and the loan is unsecured.

ELTA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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33. Controlling party

The ultimate controlling party is D L Ball by virtue of his majority shareholding in the company.