

Company Registration No. 10929992 (England and Wales)

ENGLEDENE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

PM+M Solutions for Business LLP
Chartered Accountants
New Century House
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

ENGLEDENE LIMITED

COMPANY INFORMATION

Directors	Mr Mark Crabtree OBE	
	Mr Joseph Crabtree	(Appointed 4 April 2022)
	Ms Anna Crabtree	(Appointed 4 April 2022)
	Mr Timothy Crabtree	(Appointed 4 April 2022)

Company number	10929992
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Registered office	AMS Tower AMS Technology Park Billington Road Burnley BB11 5UB
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Auditor	PM+M Solutions for Business LLP New Century House Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB
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ENGLEDENE LIMITED

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ENGLEDENE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Review of the business

The principal activity of the group is the design, manufacture, supply and support of professional audio equipment, the sale of tools and equipment together with the hire of facilities and hosting of events.

The major subsidiary company (AMS Neve Limited) is a world renowned, dedicated, engineering-led business whose aim is to provide the best possible sound, capability and operational experience for the most creative people in the world – whether it be for film, recorded music, or TV and broadcast.

The company designs and builds all its products in England and prides itself on ensuring high quality and performance, continuously investing in research and development to offer the most effective technology to its markets and building on its excellent long term relationships with its customers.

Another subsidiary company, The Sutcliffe Tool Company Limited, provides good quality tools and equipment to local companies.

A further subsidiary, Landmark Burnley Limited, manages "The Landmark" - an innovative collaborative business club and event centre in Burnley. The company has invested in significant IT infrastructure costs, together with furnishings and equipment to enable the facilities to be hired out to businesses and individuals. The fit out of the second phase was completed in the year and hiring commenced along with event hosting expanded. As with other similar businesses this was badly affected by Covid-19 but continued to run throughout the pandemic and is now becoming more established and the director is optimistic for the future.

Principal risks and uncertainties

The group's operations expose it to a variety of financial risks, price risk, interest rate risk and credit risks. The group's policy in respect of managing financial risk has not changed significantly in the year ended 31 December 2022.

The group is exposed to price risk principally in respect of certain materials required in the production of consoles. The company actively monitors price fluctuations to manage the purchase of materials where possible in times when prices are favourable to the business.

The group is no longer exposed to any significant interest rate risk as borrowings are on fixed rates.

Where appropriate, relevant credit checks are performed on potential customers before sales are made. The amount of exposure to any given customer is controlled by means of credit control procedures that are monitored closely by management.

The extent of these risks is regularly reviewed and assessed by management. This process is effective given the size and nature of the risks involved, but will be reviewed in the future should circumstances change.

ENGLEDENE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Key performance indicators

The Directors are pleased to report that the group achieved another profitable year in 2022, leading to further strengthening of the Balance Sheet; total equity increasing by 22% from £8.3m to £10.2m.

2022 has been a year of sales growth supported by continued product development in the main trading subsidiary, AMS Neve Limited, with a wider customer base and some new products being launched in the year and more planned for 2023. Sales in the first half of 2023 of existing and new products are strong.

Another subsidiary, Landmark Burnley Limited, has incurred a loss during the period as demand for office and meeting space slowly returns post Covid. The second phase of its high class premises was completed in the year and hiring out the facilities increased in the year, although not to the level hoped for as a result of the Covid impact. It is expected that the facility will attract significant usage from local businesses and individuals in the forthcoming period, and will move in due course into profitability.

A further subsidiary, The Sutcliffe Tool Company Limited, has continued to trade in tools and workwear, as well as providing expert advice to building professionals, and has contributed a profit to the group result.

Turnover showed a 19% increase on the prior year, particularly from AMS Neve, helped by new customers and products, resulting from increased marketing focus and additional distribution. Gross margin percentage has remained consistent. Expenses have been tightly controlled with a modest increase, largely from increased support staff requirements. This has resulted in a profit after tax of £2,162,162 (2021 - £1,579,868).

The group has continued to invest significantly in both research and development and tangible fixed assets during the financial year with a continued drive to develop new and improved products and to enable increased manufacturing capacity and efficiency.

The group continues to be recognised as an international leader and pioneer in its field and will continue to seek opportunities to strengthen that position.

On behalf of the board

Mr Mark Crabtree OBE
Director

25 September 2023

ENGLEDENE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activities

The principal activity of the group is the design, manufacture, supply and support of professional audio equipment, the sale of tools and equipment together with the hire of facilities and hosting of events.

Directors

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

Mr Mark Crabtree OBE	
Mr Joseph Crabtree	(Appointed 4 April 2022)
Ms Anna Crabtree	(Appointed 4 April 2022)
Mr Timothy Crabtree	(Appointed 4 April 2022)

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £250,000. The directors do not recommend payment of a further dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

The auditor, PM+M Solutions for Business LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the 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.

ENGLEDENE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of disclosure to auditor

So far as the director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr Mark Crabtree OBE
Director

25 September 2023

ENGLEDENE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGLEDENE LIMITED

Opinion

We have audited the financial statements of Engledene Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the group statement of income and retained earnings, the group balance sheet, the company balance sheet, the group statement of cash flows 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 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 the parent company's affairs as at 31 December 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 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 and 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.

ENGLEDENE LIMITED

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

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, 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 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 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.

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

ENGLEDENE LIMITED

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

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- the matters discussed among the audit engagement team including significant component audit teams and involving relevant specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of commercial income, posting of unusual journals and complex transactions; and manipulating the Group's performance profit measures and other key performance indicators to meet remuneration targets and externally communicated targets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, employment law, health and safety regulations, pensions legislation and tax legislation.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the identified risks of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

ENGLEDENE LIMITED

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

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.

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.

Nigel Wright BSc FCA (Senior Statutory Auditor)
For and on behalf of PM+M Solutions for Business LLP

25 September 2023

Chartered Accountants
Statutory Auditor

New Century House
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

ENGLEDENE LIMITED

GROUP STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	14,491,449	12,196,247
Cost of sales		(8,419,536)	(7,013,644)
Gross profit		6,071,913	5,182,603
Administrative expenses		(3,836,744)	(3,514,162)
Other operating income		52,744	56,550
Operating profit	4	2,287,913	1,724,991
Interest receivable and similar income	9	8	3
Interest payable and similar expenses	8	(4,327)	(9,404)
Profit before taxation		2,283,594	1,715,590
Tax on profit	10	(122,432)	(135,722)
Profit for the financial year		2,161,162	1,579,868
Retained earnings brought forward		6,281,464	4,701,596
Dividends		(250,000)	-
Retained earnings carried forward		8,192,626	6,281,464

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

ENGLEDENE LIMITED

GROUP BALANCE SHEET AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		3,208,649		3,185,143
Current assets					
Stocks	16	5,377,417		4,695,324	
Debtors	17	700,556		704,636	
Investments	18	1,300		1,300	
Cash at bank and in hand		4,260,796		3,406,367	
		<u>10,340,069</u>		<u>8,807,627</u>	
Creditors: amounts falling due within one year	19	<u>(2,945,778)</u>		<u>(3,310,262)</u>	
Net current assets			<u>7,394,291</u>		<u>5,497,365</u>
Total assets less current liabilities			<u>10,602,940</u>		<u>8,682,508</u>
Creditors: amounts falling due after more than one year	20		(59,142)		(137,307)
Provisions for liabilities					
Provisions	22	60,994		49,643	
Deferred tax liability	23	290,771		214,687	
		<u>(351,765)</u>		<u>(264,330)</u>	
Net assets			<u>10,192,033</u>		<u>8,280,871</u>
Capital and reserves					
Called up share capital	26	1,999,407		1,999,407	
Profit and loss reserves		8,192,626		6,281,464	
Total equity			<u>10,192,033</u>		<u>8,280,871</u>

The financial statements were approved by the board of directors and authorised for issue on 25 September 2023 and are signed on its behalf by:

Mr Mark Crabtree OBE
Director

Company registration number 10929992 (England and Wales)

ENGLEDENE LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Fixed assets			
Investments	14	1,999,407	1,999,407
Current assets			
Debtors	17	10,000	365,000
Cash at bank and in hand		2,682,825	1,934,881
		<u>2,692,825</u>	<u>2,299,881</u>
Creditors: amounts falling due within one year	19	<u>(487)</u>	<u>(487)</u>
Net current assets		<u>2,692,338</u>	<u>2,299,394</u>
Net assets		<u><u>4,691,745</u></u>	<u><u>4,298,801</u></u>
Capital and reserves			
Called up share capital	26	1,999,407	1,999,407
Profit and loss reserves		2,692,338	2,299,394
Total equity		<u><u>4,691,745</u></u>	<u><u>4,298,801</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £642,944 (2021 - £1,799,771 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 25 September 2023 and are signed on its behalf by:

Mr Mark Crabtree OBE
Director

Company registration number 10929992 (England and Wales)

ENGLEDENE LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	31	1,840,964		2,049,839	
Interest paid		(4,327)		(9,404)	
Net cash inflow from operating activities		<u>1,836,637</u>		<u>2,040,435</u>	
Investing activities					
Purchase of tangible fixed assets		(658,484)		(553,731)	
Proceeds from disposal of tangible fixed assets		115		7,680	
Interest received		8		3	
Net cash used in investing activities		<u>(658,361)</u>		<u>(546,048)</u>	
Financing activities					
Payment of finance leases obligations		(73,847)		(39,807)	
Dividends paid to equity shareholders		(250,000)		-	
Net cash used in financing activities		<u>(323,847)</u>		<u>(39,807)</u>	
Net increase in cash and cash equivalents		<u>854,429</u>		<u>1,454,580</u>	
Cash and cash equivalents at beginning of year		3,406,367		1,951,787	
Cash and cash equivalents at end of year		<u><u>4,260,796</u></u>		<u><u>3,406,367</u></u>	

ENGLEDENE LIMITED

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

1 Accounting policies

Company information

Engledene Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is AMS Tower, AMS Technology Park, Billington Road, Burnley, Lancashire, BB11 5UB.

The group consists of Engledene Limited and all of its subsidiaries.

1.1 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 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, 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. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Engledene Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2022. 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.

ENGLEDENE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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.

Revenue from the rental of facilities, together with associated goods and services are recognised in the period to which they relate. Income from functions is recognised at the date of occurrence.

1.5 Intangible fixed assets

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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

1.6 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% per annum
Plant and equipment	20% and 33% for tooling
Fixtures and fittings	33%
Office equipment	33%
Motor vehicles	20%

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 recognised in the profit and loss account.

1.7 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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.

ENGLEDENE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.9 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.

1.10 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 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 in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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, including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

ENGLEDENE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.12 Equity instruments

Equity instruments issued by the group are recorded at the 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.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 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.

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.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

ENGLEDENE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.18 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.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.20 Warranty costs

Provision is made for the estimated cost of rectification of products sold which are still covered by unexpired contractual warranties.

1.21 Research and development

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

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

ENGLEDENE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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.

The main areas of judgement, that have a risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in relation to stock and debtor provisions, and the useful economic lives of the company's fixed assets.

3 Turnover and other revenue

	2022 £	2021 £
Turnover analysed by class of business		
Manufacture of audio equipment	13,335,085	11,065,564
Sale of tools and equipment	957,084	1,016,996
Facility hire and events	199,280	113,687
	<u>14,491,449</u>	<u>12,196,247</u>
	2022 £	2021 £
Turnover analysed by geographical market		
UK	2,390,186	2,802,471
Europe	2,925,362	2,088,844
Rest of World	9,175,901	7,304,932
	<u>14,491,449</u>	<u>12,196,247</u>

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(35,788)	(39,373)
Government grants	(17,680)	(19,815)
Depreciation of owned tangible fixed assets	581,276	564,633
Depreciation of tangible fixed assets held under finance leases	53,587	72,357
Operating lease charges	62,937	124,723
	<u></u>	<u></u>

ENGLEDENE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	2,500	2,500
Audit of the financial statements of the company's subsidiaries	10,400	8,250
	<u>12,900</u>	<u>10,750</u>

6 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Production	68	54	-	-
Sales & marketing	10	10	-	-
Research & development	18	17	-	-
Administration	12	11	-	-
Directors	4	1	4	1
Total	<u>112</u>	<u>93</u>	<u>4</u>	<u>1</u>

Their aggregate remuneration comprised:

	Group 2022 £	2021 £
Wages and salaries	3,039,340	2,718,438
Social security costs	274,593	226,869
Pension costs	69,771	53,382
	<u>3,383,704</u>	<u>2,998,689</u>

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	<u>186,317</u>	<u>159,970</u>

ENGLEDENE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and loans	-	4,228
Interest on finance leases and hire purchase contracts	4,327	5,176
	<u>4,327</u>	<u>9,404</u>
Total finance costs	<u>4,327</u>	<u>9,404</u>

9 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	8	3
	<u>8</u>	<u>3</u>

10 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	46,348	-
Adjustments in respect of prior periods	-	16,334
	<u>46,348</u>	<u>16,334</u>
Total current tax	<u>46,348</u>	<u>16,334</u>
Deferred tax		
Origination and reversal of timing differences	76,084	148,671
Adjustment in respect of prior periods	-	(29,283)
	<u>76,084</u>	<u>119,388</u>
Total deferred tax	<u>76,084</u>	<u>119,388</u>
	<u>122,432</u>	<u>135,722</u>
Total tax charge	<u>122,432</u>	<u>135,722</u>

ENGLEDENE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	<u>2,283,594</u>	<u>1,715,590</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	433,883	325,962
Tax effect of expenses that are not deductible in determining taxable profit	1,070	1,501
Change in unrecognised deferred tax assets	(77,861)	-
Adjustments in respect of prior years	-	16,334
Effect of change in corporation tax rate	36,947	32,911
Depreciation on assets not qualifying for tax allowances	(24,617)	(19,992)
Research and development tax credit	(246,990)	(235,458)
Deferred tax adjustments in respect of prior years	-	(29,283)
Deferred tax asset not provided	-	43,747
Taxation charge	<u>122,432</u>	<u>135,722</u>

11 Dividends

	2022 £	2021 £
Recognised as distributions to equity holders:		
Interim paid	<u>250,000</u>	<u>-</u>

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 January 2022 and 31 December 2022	<u>1,462,412</u>
Amortisation and impairment	
At 1 January 2022 and 31 December 2022	<u>1,462,412</u>
Carrying amount	
At 31 December 2022	-
At 31 December 2021	-

The company had no intangible fixed assets at 31 December 2022 or 31 December 2021.

ENGLEDENE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

13 Tangible fixed assets

Group	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Office equipment £	Motor vehicles £	Total £
Cost						
At 1 January 2022	2,647,269	2,491,659	812,683	1,198,032	189,625	7,339,268
Additions	92,536	444,279	66,444	55,225	-	658,484
Disposals	-	-	(125)	-	-	(125)
At 31 December 2022	2,739,805	2,935,938	879,002	1,253,257	189,625	7,997,627
Depreciation and impairment						
At 1 January 2022	528,693	1,950,456	505,815	1,014,184	154,977	4,154,125
Depreciation charged in the year	132,250	253,743	140,058	91,098	17,714	634,863
Eliminated in respect of disposals	-	-	(10)	-	-	(10)
At 31 December 2022	660,943	2,204,199	645,863	1,105,282	172,691	4,788,978
Carrying amount						
At 31 December 2022	2,078,862	731,739	233,139	147,975	16,934	3,208,649
At 31 December 2021	2,118,576	541,203	306,868	183,848	34,648	3,185,143

The company had no tangible fixed assets at 31 December 2022 or 31 December 2021.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2022 £	2021 £	Company 2022 £	2021 £
Plant and equipment	149,421	203,007	-	-

14 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	15	-	-	1,999,407	1,999,407

ENGLEDENE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

14 Fixed asset investments (Continued)

Movements in fixed asset investments Company

Shares in
subsidiaries
£

Cost or valuation

At 1 January 2022 and 31 December 2022

2,519,407

Impairment

At 1 January 2022 and 31 December 2022

520,000

Carrying amount

At 31 December 2022

1,999,407

At 31 December 2021

1,999,407

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
AMS Neve Limited	as parent company	Design, manufacture, supply and support of professional audio equipment	Ordinary & preference	100.00	-
Landmark Burnley Limited	as parent company	Hire of facilities and hosting of events	Ordinary	100.00	-
The Sutcliffe Tool Company Limited	see below	Sale of tools and equipment	Ordinary	100.00	-
Neve Electronics Limited	as parent company	Dormant	Ordinary	-	100.00

The registered office of The Sutcliffe Tool Company Limited is Burnham Trading Park, Blannel Street, Burnley, BB11 4AA.

Landmark Burnley Limited (registered number 10971085) and The Sutcliffe Tool Company Limited (registered number 02988508) are exempt from the requirements relating to the audit of individual accounts by virtue of S479A of the Companies Act 2006.

The investment in Neve Electronics Limited is held by AMS Neve Limited.

ENGLEDENE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

16 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Raw materials and consumables	3,169,205	1,777,447	-	-
Work in progress	1,362,172	2,329,075	-	-
Finished goods and goods for resale	846,040	588,802	-	-
	<u>5,377,417</u>	<u>4,695,324</u>	<u>-</u>	<u>-</u>

17 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	413,066	389,230	-	-
Amounts owed by group undertakings	-	-	10,000	365,000
Other debtors	157,238	182,419	-	-
Prepayments and accrued income	130,252	132,987	-	-
	<u>700,556</u>	<u>704,636</u>	<u>10,000</u>	<u>365,000</u>

18 Current asset investments

	Group 2022 £	2021 £	Company 2022 £	2021 £
Unlisted investments	1,300	1,300	-	-

19 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Obligations under finance leases	21	60,640	73,647	-	-
Payments received on account		1,691,045	1,313,142	-	-
Trade creditors		812,787	1,522,955	-	-
Amounts owed to group undertakings		-	-	487	487
Corporation tax payable		46,348	-	-	-
Other taxation and social security		80,249	78,048	-	-
Deferred income	24	23,774	42,473	-	-
Other creditors		34,176	21,426	-	-
Accruals and deferred income		196,759	258,571	-	-
		<u>2,945,778</u>	<u>3,310,262</u>	<u>487</u>	<u>487</u>

ENGLEDENE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

20 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Obligations under finance leases	21	55,587	116,427	-	-
Deferred income	24	3,555	20,880	-	-
		<u>59,142</u>	<u>137,307</u>	<u>-</u>	<u>-</u>

21 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	60,640	73,647	-	-
In two to five years	55,587	116,427	-	-
	<u>116,227</u>	<u>190,074</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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

22 Provisions for liabilities

	Group 2022 £	2021 £	Company 2022 £	2021 £
Warranty provision	60,994	49,643	-	-

Movements on provisions:

Group	Warranty provision £
At 1 January 2022	49,643
Additional provisions in the year	11,351
At 31 December 2022	<u>60,994</u>

Provision is made for the estimated cost of rectification of products sold which are still covered by unexpired contractual warranties.

ENGLEDENE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

23 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Group		
Accelerated capital allowances	292,064	215,812
Short term timing differences	(1,293)	(1,125)
	<u>290,771</u>	<u>214,687</u>

The company has no deferred tax assets or liabilities.

	Group 2022 £	Company 2022 £
Movements in the year:		
Liability at 1 January 2022	214,687	-
Charge to profit or loss	76,084	-
	<u>290,771</u>	<u>-</u>

The deferred tax liability set out above relates mainly to accelerated capital allowances and is not expected to change significantly in the next 12 months due to continued fixed asset investment.

24 Deferred income

	Group 2022 £	2021 £	Company 2022 £	2021 £
Arising from government grants	20,879	38,560	-	-
Other deferred income	6,450	24,793	-	-
	<u>27,329</u>	<u>63,353</u>	<u>-</u>	<u>-</u>

Deferred income is included in the financial statements as follows:

Current liabilities	23,774	42,473	-	-
Non-current liabilities	3,555	20,880	-	-
	<u>27,329</u>	<u>63,353</u>	<u>-</u>	<u>-</u>

ENGLEDENE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

25 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	69,771	53,382

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.

An amount of £11,142 (2021 - £9,955) was outstanding at the year end and is included in creditors.

26 Share capital

	Group and company	
	2022	2021
	£	£
Ordinary share capital		
Issued and fully paid		
21,000 ordinary shares of £1 each	21,000	21,000
Preference share capital		
Issued and fully paid		
1,978,407 shares of £1 each	1,978,407	1,978,407
Preference shares classified as equity	1,978,407	1,978,407
Total equity share capital	1,999,407	1,999,407

The shares shall confer on their holders the following rights:

Ordinary Shares

- Full voting rights, with a ranking behind Preference Shares on a return of capital.

Preference Shares

- As to capital, the right, on winding-up or other return of capital, to repayment, in priority to any payment to the holders of any other shares in the capital of the company of the amounts paid up on the Preference Shares held by them including any premium;

- As to other rights, the right to receive notice of, to be present and speak either in person or by proxy, at any general meeting of the company but not to have any voting rights whatsoever at any general working of the company nor the right to participate in any written resolution.

ENGLEDENE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

27 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 2022 £	2021 £	Company 2022 £	2021 £
Within one year	123,000	123,000	-	-
Between two and five years	11,934	121,241	-	-
	<u>134,934</u>	<u>244,241</u>	<u>-</u>	<u>-</u>

Lessor

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	30,000	17,500	-	-
Between two and five years	17,500	-	-	-
	<u>47,500</u>	<u>17,500</u>	<u>-</u>	<u>-</u>

28 Related party transactions

Transactions with related parties

During the year the group purchased goods amounting to £24,000 (2021 - £24,000) from a company in which the director has a controlling interest.

The group pays royalties for the use of intellectual property rights held by a related company pension scheme of which the director is a trustee and member. During the year royalties and other related amounts were charged to the group amounting to £495,542 (2021 - £377,460). Engineering costs amounting to £131,560 (2021 - £85,800) were recharged to the pension scheme.

In addition the group was charged rent and associated property costs by the scheme of £37,075 (2021 - £98,700). An amount of £Nil (2021 - £22,967) was due to the scheme at the year end.

ENGLEDENE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

29 Directors' transactions

Included within other debtors at the year ended 31 December 2022, is a balance of £3,413 (2021: £nil) that was owed by a director of the company. The maximum outstanding balance in the year was £13,396.

30 Controlling party

The ultimate controlling party is Mr Mark Crabtree OBE.

31 Cash generated from group operations

	2022 £	2021 £
Profit for the year after tax	2,161,162	1,579,868
Adjustments for:		
Taxation charged	122,432	135,722
Finance costs	4,327	9,404
Investment income	(8)	(3)
Depreciation and impairment of tangible fixed assets	634,863	636,990
Increase in provisions	11,351	17,461
Movements in working capital:		
Increase in stocks	(682,093)	(1,853,116)
Decrease/(increase) in debtors	4,080	(295,556)
(Decrease)/increase in creditors	(379,126)	1,855,594
Decrease in deferred income	(36,024)	(36,525)
Cash generated from operations	1,840,964	2,049,839

32 Analysis of changes in net funds - group

	1 January 2022 £	Cash flows £	31 December 2022 £
Cash at bank and in hand	3,406,367	854,429	4,260,796
Obligations under finance leases	(190,074)	73,847	(116,227)
	3,216,293	928,276	4,144,569

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