

Strategic Report,
Report of the Directors and
Financial Statements
for the Year Ended 31 December 2021
for
Castle Precision Engineering
(Glasgow) Limited

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for the Year Ended 31 December 2021

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Castle Precision Engineering
(Glasgow) Limited

Company Information
for the Year Ended 31 December 2021

DIRECTORS:

Mrs R Tiefenbrun
Y L Tiefenbrun
Miss R E Tiefenbrun

SECRETARY:

J Forrest

REGISTERED OFFICE:

241 Drakemire Drive
Castlemilk
Glasgow
G45 9SZ

REGISTERED NUMBER:

SC039355 (Scotland)

AUDITORS:

O'Haras Chartered Accountants, Statutory Auditors
Radleigh House
1 Golf Road
Clarkston
Glasgow
G76 7HU

Strategic Report
for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

REVIEW OF BUSINESS

In the twelve months to 31 December 2021, the company continued to experience very challenging trading conditions as result of the unprecedented Covid-19 global pandemic.

Covid-19 continued to have a significant impact on the business and its operating environment - particularly in relation to its civil widebody (international) aerospace activities. Government backed schemes including CBILS & Furlough were utilised to support through the disruption.

During this period, global vaccination programmes began deployment and whilst domestic travel markets demonstrated a remarkable initial ability to recover by summer 2021, international travel was either not permitted for large periods of the year or operated in accordance with chaotic inter-country open-closed traffic light systems. In addition to this, varied paces of global vaccination and emergence of more transmissible waves through winter periods, such as Omicron, set back international aviation recovery multiple times.

Other business segments the company delivers to, including defence & medical along with sub segments in freight & business jet aviation, remained steady throughout.

Despite the market and health challenges, the business was able to press ahead with a number of its key strategic plans including joint green-lighting of a delayed aero-engine customer in-load, resumption of the previously paused refurbishment of the central 235 facility, securing of additional financing to see out worst case market scenarios and re-launch of the Company Zero Defects programme in the drive towards growth ready Operational Excellence.

On the back of these and other activities, the Company received major honours from key customer, Rolls-Royce, receiving the 'Pioneering the Power that Matters' in recognition of Castle's customer focus, dedication and performance through the Covid-19 impact.

Gearing remained relatively high, but balance sheet remained very solid and the business cash generative. The strength of foundation allowed the business to continue to resolve significant cashflow challenges associated with pausing supply chains in 2020.

With revenues of £18.01m in FY2021, the Company recovered a marginal proportion of the circa 21% top line reduction experienced in the previous full year report. A net profit of 1.79% reflects the challenges of the period and the success of all measures taken through 2020 and 2021 to deliver a profitable result during this most difficult operating environment.

Returns to relative normality and recovery path is expected to start FY 2023 and reach pre-pandemic levels circa 2024/2025 in line with the broader aviation market; FY 2022 is expected to be another difficult and uneven period for business as the unprecedented impacts of Covid-19 continue.

ON BEHALF OF THE BOARD:

Y L Tiefenbrun - Director

5 September 2022

Report of the Directors
for the Year Ended 31 December 2021

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2021.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

Mrs R Tiefenbrun
Y L Tiefenbrun
Miss R E Tiefenbrun

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, O'Haras Chartered Accountants, Statutory Auditors, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Y L Tiefenbrun - Director

5 September 2022

Report of the Independent Auditors to the Members of
Castle Precision Engineering
(Glasgow) Limited

Opinion

We have audited the financial statements of Castle Precision Engineering (Glasgow) Limited (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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 the audit:

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

**Report of the Independent Auditors to the Members of
Castle Precision Engineering
(Glasgow) Limited**

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

We made enquiries of management as to whether there were any known or suspected instances of non compliance with laws and regulations.

We gained an understanding of management's internal controls designed to prevent and detect irregularities in their day-to-day operations.

We considered how fraud might occur in this company and designed our tests accordingly.

As in all audits, we also addressed the risk of management override of internal controls, including reviewing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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 Report of the Auditors.

Report of the Independent Auditors to the Members of
Castle Precision Engineering
(Glasgow) Limited

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 a Report of the Auditors 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.

John O'Hara CA (Senior Statutory Auditor)
for and on behalf of O'Haras Chartered Accountants, Statutory Auditors
Radleigh House
1 Golf Road
Clarkston
Glasgow
G76 7HU

5 September 2022

Castle Precision Engineering
(Glasgow) Limited (Registered number: SC039355)

Income Statement
for the Year Ended 31 December 2021

	Notes	31/12/21 £	31/12/20 £
REVENUE		18,012,554	17,273,710
Cost of sales		<u>13,368,806</u>	<u>12,528,399</u>
GROSS PROFIT		4,643,748	4,745,311
Administrative expenses		<u>4,518,816</u>	<u>4,916,802</u>
		124,932	(171,491)
Other operating income		<u>315,464</u>	<u>963,591</u>
OPERATING PROFIT	4	440,396	792,100
Interest payable and similar expenses	5	<u>117,424</u>	<u>86,070</u>
PROFIT BEFORE TAXATION		322,972	706,030
Tax on profit	6	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u>322,972</u>	<u>706,030</u>

The notes form part of these financial statements

Castle Precision Engineering
(Glasgow) Limited (Registered number: SC039355)

Other Comprehensive Income
for the Year Ended 31 December 2021

	Notes	31/12/21 £	31/12/20 £
PROFIT FOR THE YEAR		322,972	706,030
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR		<u>322,972</u>	<u>706,030</u>

The notes form part of these financial statements

**Castle Precision Engineering
(Glasgow) Limited (Registered number: SC039355)**

**Balance Sheet
31 December 2021**

	Notes	31/12/21 £	£	31/12/20 £	£
FIXED ASSETS					
Property, plant and equipment	7		6,548,357		7,016,403
CURRENT ASSETS					
Inventories	8	4,112,089		6,223,397	
Debtors	9	1,865,890		1,381,523	
Cash at bank and in hand		<u>4,698,994</u>		<u>2,727,890</u>	
		10,676,973		10,332,810	
CREDITORS					
Amounts falling due within one year	10	<u>3,890,268</u>		<u>3,464,881</u>	
NET CURRENT ASSETS			<u>6,786,705</u>		<u>6,867,929</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			13,335,062		13,884,332
CREDITORS					
Amounts falling due after more than one year	11		<u>2,133,068</u>		<u>3,005,310</u>
NET ASSETS			<u>11,201,994</u>		<u>10,879,022</u>
CAPITAL AND RESERVES					
Called up share capital	15		3,000		3,000
Retained earnings	16		<u>11,198,994</u>		<u>10,876,022</u>
SHAREHOLDERS' FUNDS			<u>11,201,994</u>		<u>10,879,022</u>

The financial statements were approved by the Board of Directors and authorised for issue on 5 September 2022 and were signed on its behalf by:

Y L Tiefenbrun - Director

Castle Precision Engineering
(Glasgow) Limited (Registered number: SC039355)

Statement of Changes in Equity
for the Year Ended 31 December 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	3,000	10,169,992	10,172,992
Changes in equity			
Total comprehensive income	-	706,030	706,030
Balance at 31 December 2020	3,000	10,876,022	10,879,022
Changes in equity			
Total comprehensive income	-	322,972	322,972
Balance at 31 December 2021	3,000	11,198,994	11,201,994

The notes form part of these financial statements

Castle Precision Engineering
(Glasgow) Limited (Registered number: SC039355)

Cash Flow Statement
for the Year Ended 31 December 2021

	Notes	31/12/21 £	31/12/20 £
Cash flows from operating activities			
Cash generated from operations	1	3,209,178	725,661
Interest paid		(58,816)	(25,835)
Interest element of hire purchase payments paid		(58,608)	(60,235)
Net cash from operating activities		<u>3,091,754</u>	<u>639,591</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(316,712)	(1,475,994)
Sale of tangible fixed assets		200	-
Net cash from investing activities		<u>(316,512)</u>	<u>(1,475,994)</u>
Cash flows from financing activities			
New loans in year		-	2,000,000
Loan repayments in year		(403,465)	-
Capital movement in the year		(400,668)	586,551
Net cash from financing activities		<u>(804,133)</u>	<u>2,586,551</u>
Increase in cash and cash equivalents		<u>1,971,109</u>	<u>1,750,148</u>
Cash and cash equivalents at beginning of year	2	2,727,885	977,737
Cash and cash equivalents at end of year	2	<u><u>4,698,994</u></u>	<u><u>2,727,885</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2021**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31/12/21	31/12/20
	£	£
Profit before taxation	322,972	706,030
Depreciation charges	783,858	726,378
Loss on disposal of fixed assets	700	-
Finance costs	117,424	86,070
	<u>1,224,954</u>	<u>1,518,478</u>
Decrease in inventories	2,111,308	347,896
(Increase)/decrease in trade and other debtors	(484,367)	273,857
Increase/(decrease) in trade and other creditors	<u>357,283</u>	<u>(1,414,570)</u>
Cash generated from operations	<u><u>3,209,178</u></u>	<u><u>725,661</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	4,698,994	2,727,890
Bank overdrafts	-	(5)
	<u><u>4,698,994</u></u>	<u><u>2,727,885</u></u>

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	2,727,890	977,737
Bank overdrafts	(5)	-
	<u><u>2,727,885</u></u>	<u><u>977,737</u></u>

Notes to the Cash Flow Statement
for the Year Ended 31 December 2021

3. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank and in hand	2,727,890	1,971,104	4,698,994
Bank overdrafts	(5)	5	-
	<u>2,727,885</u>	<u>1,971,109</u>	<u>4,698,994</u>
Debt			
Finance leases	(1,601,232)	400,668	(1,200,564)
Debts falling due within 1 year	(407,407)	(37,001)	(444,408)
Debts falling due after 1 year	(1,592,593)	440,466	(1,152,127)
	<u>(3,601,232)</u>	<u>804,133</u>	<u>(2,797,099)</u>
Total	<u>(873,347)</u>	<u>2,775,242</u>	<u>1,901,895</u>

Notes to the Financial Statements
for the Year Ended 31 December 2021

1. **STATUTORY INFORMATION**

Castle Precision Engineering (Glasgow) Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The directors are satisfied that the Company will have access to sufficient funds to ensure that all liabilities will be met as they fall due over a period of at least 12 months from the approval date of these financial statements. Consequently, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Revenue

Revenue is shown exclusive of VAT and is generated from the provision of engineering services. Revenue is recognised when goods are dispatched or made available for collection.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	- 2% on cost
Improvements to property	- 2% on cost
Plant and machinery	- 10% on cost
Office and computer equipment	- 30% on reducing balance
Motor vehicles	- 25% on reducing balance

Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the profit and loss account 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 "other income" within profit or loss in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ('Furlough').

Work in progress

Work in Progress is stated at the lower of cost and net realisable value. For partially shipped and invoiced orders costs are apportioned based on expected/ known gross profit percentages.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

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.

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.

3. EMPLOYEES AND DIRECTORS

	31/12/21 £	31/12/20 £
Wages and salaries	3,134,756	4,214,057
Social security costs	332,748	407,528
Other pension costs	174,001	221,999
	<u>3,641,505</u>	<u>4,843,584</u>

The average number of employees during the year was as follows:

	31/12/21	31/12/20
Management & administration	48	60
Manufacturing	<u>42</u>	<u>60</u>
	<u>90</u>	<u>120</u>

	31/12/21 £	31/12/20 £
Directors' remuneration	229,020	291,465
Directors' pension contributions to money purchase schemes	<u>20,623</u>	<u>20,623</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

3. EMPLOYEES AND DIRECTORS - continued

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	31/12/21	31/12/20
	£	£
Emoluments etc	81,520	117,958
Pension contributions to money purchase schemes	<u>-</u>	<u>11,747</u>

4. OPERATING PROFIT

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

	31/12/21	31/12/20
	£	£
Hire of plant and machinery	17,293	17,557
Depreciation - owned assets	783,858	726,378
Loss on disposal of fixed assets	700	-
Auditors' remuneration	11,500	11,500
Auditors' remuneration for non audit work	16,020	28,633
Foreign exchange differences	<u>(62,808)</u>	<u>(43,887)</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31/12/21	31/12/20
	£	£
Bank loan interest	58,816	25,835
Hire purchase	35,779	22,528
Leasing	<u>22,829</u>	<u>37,707</u>
	<u>117,424</u>	<u>86,070</u>

6. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 December 2021 nor for the year ended 31 December 2020.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

7. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 January 2021	2,694,464	940,471	21,974,310
Additions	-	180,929	127,070
Disposals	-	-	-
At 31 December 2021	2,694,464	1,121,400	22,101,380
DEPRECIATION			
At 1 January 2021	964,832	20,760	17,844,183
Charge for year	52,716	33,410	625,526
Eliminated on disposal	-	-	-
At 31 December 2021	1,017,548	54,170	18,469,709
NET BOOK VALUE			
At 31 December 2021	1,676,916	1,067,230	3,631,671
At 31 December 2020	1,729,632	919,711	4,130,127

	Office and computer equipment £	Motor vehicles £	Totals £
COST			
At 1 January 2021	3,174,419	23,280	28,806,944
Additions	8,713	-	316,712
Disposals	-	(23,280)	(23,280)
At 31 December 2021	3,183,132	-	29,100,376
DEPRECIATION			
At 1 January 2021	2,938,405	22,361	21,790,541
Charge for year	72,187	19	783,858
Eliminated on disposal	-	(22,380)	(22,380)
At 31 December 2021	3,010,592	-	22,552,019
NET BOOK VALUE			
At 31 December 2021	172,540	-	6,548,357
At 31 December 2020	236,014	919	7,016,403

Included in plant and machinery are assets costing £3,591,901 and depreciation of £1,440,381 which are subject to hire purchase agreements.

8. INVENTORIES

	31/12/21 £	31/12/20 £
Work-in-progress	4,112,089	6,223,397

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/21	31/12/20
	£	£
Trade debtors	1,828,085	1,203,644
Other debtors	14,500	4,500
Prepayments and accrued income	23,305	173,379
	<u>1,865,890</u>	<u>1,381,523</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/21	31/12/20
	£	£
Bank loans and overdrafts (see note 12)	444,408	407,412
Hire purchase contracts (see note 13)	416,391	400,579
Trade creditors	2,518,083	1,988,507
Social security and other taxes	102,509	82,964
VAT	223,527	479,672
Accrued expenses	170,718	91,779
Deferred government grants	14,632	13,968
	<u>3,890,268</u>	<u>3,464,881</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/12/21	31/12/20
	£	£
Bank loans (see note 12)	1,152,127	1,592,593
Hire purchase contracts (see note 13)	784,173	1,200,653
Deferred government grants	196,768	212,064
	<u>2,133,068</u>	<u>3,005,310</u>

12. LOANS

An analysis of the maturity of loans is given below:

	31/12/21	31/12/20
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	5
Bank loans	444,408	407,407
	<u>444,408</u>	<u>407,412</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	444,408	444,444
	<u>444,408</u>	<u>444,444</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	707,719	1,148,149
	<u>707,719</u>	<u>1,148,149</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

13. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	31/12/21 £	31/12/20 £
Gross obligations repayable:		
Within one year	435,733	435,643
Between one and five years	<u>813,672</u>	<u>1,246,672</u>
	<u>1,249,405</u>	<u>1,682,315</u>
Finance charges repayable:		
Within one year	19,342	35,064
Between one and five years	<u>29,499</u>	<u>46,019</u>
	<u>48,841</u>	<u>81,083</u>
Net obligations repayable:		
Within one year	416,391	400,579
Between one and five years	<u>784,173</u>	<u>1,200,653</u>
	<u>1,200,564</u>	<u>1,601,232</u>

14. SECURED DEBTS

The bank holds a floating charge over the assets and undertakings of the company.

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal	31/12/21	31/12/20
Number:	Class:	value:	£	£
3,000	Ordinary	£1	<u>3,000</u>	<u>3,000</u>

Ordinary shares carry full voting rights and dividend rights.

16. RESERVES

	Retained earnings £
At 1 January 2021	10,876,022
Profit for the year	<u>322,972</u>
At 31 December 2021	<u>11,198,994</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

17. RELATED PARTY DISCLOSURES

During the year, the company made sales to Linn Products Limited, a company owned by a family member totalling £31,659.

At 31 December 2021 there was £10,359 due from Linn Products Limited.

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.