AZETS

VANGO GROUP LIMITED

Company registration number SC533191

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

COMPANY INFORMATION

Directors	Stephen John Newlands Michael James Blake Shona Quigley Robert Birrell Martin Jones Simon Roberts
Registered number	SC533191
Registered office	2 Kelburn Business Park Port Glasgow Renfrewshire PA14 6TD
Independent auditor	Azets Audit Services Chartered Accountants Titanium 1 King's Inch Place Renfrew PA4 8WF
Bankers	The Royal Bank of Scotland plc 122 Cathcart Street Greenock PA15 1BA
Solicitors	Burness Paull LLP 120 Bothwell Street Glasgow G2 7JL

VANGO GROUP LIMITED

CONTENTS

The directors present the Strategic Report and the financial statements of the company for the year ended 31 December 2022.

Principal activity

The company is principally a holding company for its subsidiary entities. The principal activity of the group is the production, marketing and wholesale of outdoor leisure equipment and the distribution of a portfolio of premier outdoor and snow sports brands.

Business review

The company receives income solely from its subsidiary undertakings.

Despite the macro inflationary pressures impacting negatively on consumer confidence, the company's trading subsidiary reported its highest ever revenues in 2022, reflecting the brand strength and the quality and innovation of its products. However its operating profit was negatively impacted by the global supply chain challenges which included extended order lead times and the ability to secure sea freight capacity for overseas manufactured goods which was both reliable and at affordable rates. Macro-economic pressures also had a negative effect on the currency markets, to which it is exposed. As a consequence of this, together with a reduction in the cash position of its subsidiary undertakings due to high inventories, income from subsidiary undertakings fell in 2022.

Business environment

The company and group operates in the retail sector, which remains a challenging environment for both brands and retailers alike. Not unlike other companies in this sector, there are events which are outside the control of the company, however the Board's aim is to pro-actively manage such situations wherever possible.

The Board expect the macro inflationary pressures impacting on consumer confidence to continue in 2023, however consider the company and group to be ideally placed to meet an expected demand for lower cost UK staycations and in particular for camping and outdoor holidays. Having also worked hard to mitigate the challenges of the currency markets and cost inflation, the Board believes that the company and its subsidiary undertakings are still well placed to continue its growth strategy and to meet internal targets.

Principal risks and uncertainties

As the company receives income solely from its subsidiary undertakings, the principal risks and uncertainties facing the company are those of its subsidiary undertakings, namely economic factors such as prices of materials, freight costs, exchange rates and the strength of the retail sector together with the performance of competitors and supply chain risk.

Duty to promote the success of the company

The directors have given careful consideration to the requirements of Section 172 of the Companies Act 2006. They recognise that the long-term success of the company is dependent on recognising the interests of its key stakeholders, which include its employees, customers and suppliers, shareholders and the impact on the environment and local community. Some of the actions and procedures in place to ensure compliance with these requirements are detailed below:

Employee engagement

Our employees are fundamental to the success of the business. We are committed to providing quality of employment, developing staff, promoting from within and to the principles of Equal Opportunity in employment.

The group regularly communicates with its staff throughout the year through monthly bulletins from the board. The group also carries out employee surveys to quantify satisfaction and highlight areas for improvement. The group acts on these recommendations as best as possible, such as the current programme of refurbishment of its sites to enhance employees' working environments and the introduction of an improved employee benefits package. Recent survey results have shown employee satisfaction levels remain high despite the challenges brought about by a return to partial office-based working following the COVID-19 pandemic.

Customer engagement

Customer satisfaction is key to the group's success and our focus has and will continue to be to look at ways to improve the retailers' experience through continued investment in our products, customer service and efficiency of delivery. Joint business plans are prepared with all key customers ensuring the company and its customers are aligned and working together. The business has an average relationship length of 20+ years with its top 5 retailers.

Supplier engagement

The group values its supplier base as partners and has cultivated strong stable relationships with key suppliers in China going back over 20 years. We work closely together, exchanging manufacturing knowledge, to ensure our products are of the highest quality and also to support them financially in the development of new products. To mitigate itself from supply chain risk, the business has at least four suppliers for each key product line. We endeavour to pay all our suppliers within agreed credit terms.

The group requires all suppliers to adhere to our Supplier Code of Conduct, covering both quality and strict social guidelines. The group monitors this both in person and through third party independent quality inspections.

The group has worked with established distributors throughout the world, some who have been with the brand for over 25 years.

Shareholder engagement

The company's share capital is 100% owned by Vango Holdings Limited, with the board of directors also all directors of Vango Holdings Limited.

Impact on the environment and community

During 2022, the group continued to develop its Earth Collection of tents, rucksacks, chairs and sleeping bags which have been produced using environmentally friendly fabric made from recycled single use plastics. In particular, recycled technology was introduced into the range of trekking tents for the first time. Working in collaboration with The National Trust, Europe's largest conservation charity, the group also developed a range of tents and sleeping bags made from recycled single use plastics which was launched in 2022 for the National Trust. By the end of 2022, the group had sold tents made from 7.2 million plastic water bottles. Earth Collection tents accounted for 27% of tent sales in 2022 and is forecast to grow to 35% in 2023.

In addition to the development and use of performance fabrics from single use plastics, the group invests in the research and development of alternative sustainable materials and processes such as dye solutions which utilise less water.

The group provides a high-quality spares and repair service, encouraging consumers to reuse and extend the lives of their camping products, thereby minimising the impact on the environment. If products are beyond repair, component parts are recycled for use in future repairs, as well as upcycling fabrics where possible, dramatically reducing landfill. This includes the donation of tent fabrics and sleeping bag fillings to the Sheltersuit Foundation, to be upcycled into shelter for the homeless.

The group works alongside charities such as ShelterBox and Ukranian relief agencies, providing tents and sleeping bags to disaster hit communities, and also provides support to many local causes.

The group enjoys a long standing relationship with the Duke of Edinburgh programme, encouraging students to enjoy the benefits of the outdoors and participate in outdoor activities.

During 2022, the group invested in energy efficient improvements to its leased properties and is currently replacing all company cars with electric or hybrid vehicles.

Key financial performance indicators

The group's key financial performance indicators are turnover, gross margin, operating profit, and cash generation.

Results and dividends

The loss on ordinary activities amounted to £535,962 *(2021: profit of £7,568,192)* The company's year-end balance sheet reported net assets of £10,053,740 *(2021: £10,589,702)*. The company proposed and paid dividends for the year ended 31 December 2022 of £nil *(2021: £150,000)*.

Future prospects

It is the group's intention to continue to work closely with chosen retailers and brand partners to ensure that the Board's growth strategy is delivered to agreed timescales.

This report was approved by the board on 22 September 2023 and signed on its behalf by:

Shona Quigley

Shona Quigley
Director

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

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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 for the company's financial statements 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year and up to the date of signing the accounts were:

Stephen John Newlands
Kirsty McDonald (resigned 3 April 2023)
Michael James Blake (appointed 3 April 2023)
Shona Quigley
Kevin Lyon (resigned 24 August 2023)
Robert Birrell
Martin Jones
Simon Roberts

Matters covered in the strategic report

The information regarding the principal activities, business review, business environment, principal risks and uncertainties, key performance indicators and future prospects is shown in the strategic report and not the directors' report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Azets Audit Services, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22 September 2023 and signed on its behalf by:

Shona Quigley
Director

Opinion

We have audited the financial statements of Vango Group Limited for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the 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 2022 and of its loss 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 audit 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 included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion 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 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.

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 and 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, 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 the directors

As explained more fully in the Directors' Responsibilities Statement on page 4, 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 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.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators, and the Company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available 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, as a body, 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.

Azets Audit Services

Jennifer Alexander (Senior Statutory Auditor)
for and on behalf of
Azets Audit Services, Statutory Auditor
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

22 September 2023

VANGO GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Exceptional administrative expenses	4	**(350,361)**	-
Other administrative expenses		**(478,201)**	*(567,118)*
Total administrative expenses		**(828,562)**	*(567,118)*
Other operating income		**541,733**	*410,799*
Operating (loss)	4	**(286,829)**	*(156,319)*
Income from shares in group undertakings	5	**558,051**	*8,849,133*
Interest payable and expenses	6	**(807,184)**	*(1,124,622)*
(Loss) / Profit before tax		**(535,962)**	*7,568,192*
Tax on (loss) / profit	9	**-**	-
(Loss) / Profit for the financial year		**(535,962)**	*7,568,192*
Other comprehensive income for the year			
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(535,962)**	*7,568,192*

There were no recognised gains and losses for or other than those included in the statement of comprehensive income.

The notes on pages 13 to 20 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Investments	11		**26,857,412**		*26,857,412*
Current assets					
Debtors: amounts falling due within one year	12	**6,988**		*4,458*	
Cash at bank and in hand	13	**2,880**		*12,660*	
		9,868		*17,118*	
Creditors: amounts falling due within one year	14	**(8,205,669)**		*(8,075,465)*	
Net current liabilities			**(8,195,801)**		*(8,058,347)*
Total assets less current liabilities			**18,661,611**		*18,799,065*
Creditors: amounts falling due after more than one year	15		**(8,607,871)**		*(8,209,363)*
Net assets			**10,053,740**		*10,589,702*
Capital and reserves					
Called up share capital	17		**1**		*1*
Profit and loss account			**10,053,739**		*10,589,701*
			10,053,740		*10,589,702*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 September 2023 by:

Shona Quigley

Shona Quigley
Director

The notes on pages 13 to 20 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2021	1	3,171,509	3,171,510
Comprehensive income for the year			
Income for the year	-	7,568,192	7,568,192
Dividend: Equity capital	-	(150,000)	(150,000)
At 1 January 2022	1	10,589,701	10,589,702
Comprehensive income for the year			
Loss for the year	-	(535,962)	(535,962)
At 31 December 2022	1	10,053,739	10,053,740

The notes on pages 13 to 20 form part of these financial statements.

1. General information

These financial statements are presented in Pounds Sterling (GBP) as that is the currency in which the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 December 2022.

The continuing activity of the company is that of a holding company for its subsidiary entities.

The company is a United Kingdom company limited by shares. It is both incorporated and domiciled in Scotland. The address of its registered office is 2 Kelburn Business Park, Port Glasgow, Renfrewshire, PA14 6TD. The company's registered number is SC533191.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with 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).

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following reduced disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland":

- The requirements of Section 7 Statement of Cash Flows;
- The requirement of Section 3 Financial Statements Presentation paragraph 3.17(d);
- The requirement of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48 (b) and 11.48(c);
- The requirement of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- The requirement of Section 33 Related Party Disclosure paragraph 33.7.

This information is included in the consolidated financial statements of Vango Holdings Limited as at 31 December 2022 and these financial statements may be obtained from Companies House, 139 Fountainbridge, Edinburgh, EH3 9FF.

2.3 Group accounts

The financial statements contain information about Vango Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the financial statements of its parent Vango Holdings Limited, a company registered in Scotland.

2. Accounting policies (continued)

2.4 Going concern

The company will receive continued support from group undertakings. AMG Group Limited is the main trading subsidiary and has generated healthy profit in the period. Thus the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.5 Other operating income

Other operating income is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

2.6 Income from shares in group undertakings

Income from shares in group undertakings is recognised in the Statement of Comprehensive Income when the dividend is declared by the shareholders.

2.7 Interest payable

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

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.10 Cash and cash equivalents

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

2.11 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in the case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

2. Accounting policies (continued)

2.11 Financial instruments (continued)

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the company has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

2.12 Creditors

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

2.13 Dividends

Dividends are recognised as a liability in the financial statements in the period in which the dividends are approved by shareholders.

2.14 Pensions

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.15 Taxation

Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

The directors are satisfied that accounting policies are appropriate and applied consistently. There are no sources of accounting estimation.

4. Operating (loss)

The operating (loss) is stated after charging:

	2022	*2021*
	£	*£*
Fees payable to the company's auditor for audit services	**4,320**	*3,920*
Exceptional professional fees relating to an ongoing transaction process	**350,361**	-

5. Investment income received

	2022	*2021*
	£	*£*
Dividend income	**558,051**	*8,849,133*

6. Interest payable and similar expenses

	2022	*2021*
	£	*£*
Bank and loan interest payable	**807,184**	*1,124,622*

7. Employees

The average monthly number of employees, including directors, during the year was 7 *(2021 - 7)*.

8. Directors' remuneration

	2022	*2021*
	£	*£*
Directors' emoluments	**349,414**	*415,820*
Directors' social security	**44,813**	*49,098*
Company contributions to defined contribution pension schemes	**7,674**	*22,235*
	401,901	*487,153*

The highest paid director received remuneration of £194,032 *(2021 - £229,173)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil *(2021 - £14,881)*.

The directors of the company are considered to be key management personnel.

9. Taxation

	2022 £	*2021 £*
Current tax on (loss) / profit for the year	-	*-*
Total current tax	-	*-*

Factors affecting tax charge for the year

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

	2022 £	*2021 £*
(Loss) / Profit on ordinary activities before tax	**(535,962)**	*7,568,192*
(Loss) / Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**(101,833)**	*1,437,956*
Effects of:		
Expenses not deductible for tax purposes	**7,248**	*130*
Income not taxable for tax purposes	**(106,030)**	*(1,681,335)*
Group relief	**149,794**	*196,324*
Adjust closing deferred tax to average rate of 19%	-	*(90,899)*
Deferred tax not recognised	**50,821**	*137,824*
Total tax charge for the year	-	*-*

10. Dividends

	2022 £	*2021 £*
Dividend paid of £nil (2021 - £150,000) per £1.00 share	-	*150,000*

11. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2022 and at 31 December 2022	**26,857,412**

Subsidiary undertaking

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Cranew Limited	Ordinary	100%
AMG Group Limited	Ordinary	100%
Blacks of Greenock Limited	Ordinary	100%
Vango (Scotland) Limited	Ordinary	100%

The registered office of Cranew Limited, AMG Group Limited, Blacks of Greenock Limited and Vango (Scotland) Limited is 2 Kelburn Business Park, Port Glasgow, PA14 6TD.

The carrying value of the investments and the aggregate of the share capital and reserves as at 31 December 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit £
Cranew Limited	**16,130,884**	**558,051**
AMG Group Limited	**13,233,317**	**3,781,773**

12. Debtors

	2022 £	*2021 £*
Amounts owed by other participating interests	**4,220**	*3,190*
Other debtors	**2,768**	*1,268*
	6,988	*4,458*

13. Cash and cash equivalents

	2022 £	*2021 £*
Cash at bank and in hand	**2,880**	*12,660*

14. Creditors: Amounts falling due within one year

	2022 £	*2021* *£*
Loan notes	**4,594,047**	*4,594,047*
Trade creditors	**7,800**	*2,643*
Amounts owed to group undertakings	**1,400,279**	*1,406,732*
Amounts owed to other participating interests	**219,378**	*219,617*
Other taxation and social security	**35,191**	*43,738*
Other creditors	**124**	*3,333*
Accruals and deferred income	**1,948,850**	*1,805,355*
	8,205,669	*8,075,465*

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

	2022 £	*2021* *£*
Loan notes	**8,607,871**	*8,209,363*
	8,607,871	*8,209,363*

The company has provided an unlimited-intercompany guarantee and bond and floating charge with RBS plc, Growth Capital Partners LLP and the security trustee for the Management Loan Note holders.

Secured creditors at the year-end were £15,359,281 *(2021: £14,713,949).*

16. Loans

Analysis of the maturity of loans is given below:

	2022 £	*2021* *£*
Amounts falling due within one year		
Loan notes	**4,594,047**	*4,594,047*
Amounts falling due 1-2 years		
Loan notes	**8,607,871**	*8,209,363*
	13,201,918	*12,803,410*

17. Share capital

	2022 £	*2021* *£*
Allotted, called up and fully paid		
1 *(2021 - 1)* ordinary share of £1.00 each	**1**	*1*

Shareholders are entitled to one vote in any circumstance and an equal share of dividend payments or any other distribution.

18. Related party transactions

The company has taken advantage of the exemption available under Financial Reporting Standard 102 Paragraph 33.1A with regard to the non-disclosure of transactions between wholly owned group companies.

Growth Capital Partners LLP is related by common directors. During the year monitoring fees, expenses and loan note interest were charged by Growth Capital Partners LLP and the fund it manages, Growth Capital Partners Fund IV LP, amounting to £428,400 *(2021: £603,891)*. At the balance sheet date £219,378 *(2021: £219,617)* was owed to Growth Capital Partners LLP.

19. Controlling party

The ultimate parent undertaking of the company is Vango Holdings Limited, which is a company registered in Scotland. The address of its registered office is 2 Kelburn Business Park, Port Glasgow, Renfrewshire, PA14 6TD.

There is no ultimate controlling party.

The largest and smallest group which the results of this company are consolidated within is that headed by the ultimate parent company Vango Holdings Limited.

Copies of the consolidated financial statements of Vango Holdings Limited are available from Companies House, 139 Fountainbridge, Edinburgh, EH3 9FF.