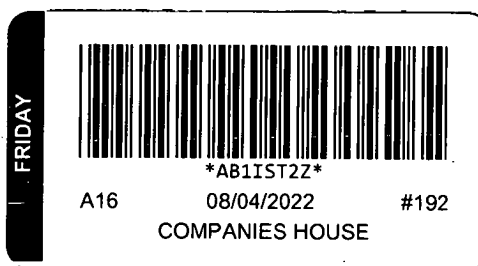


LOWMAN MANUFACTURING COMPANY LIMITED

REPORTS and FINANCIAL STATEMENTS for the year ended 31 December 2021



Lowman Manufacturing Company Limited

Company number 1784930

Notice of Meeting

Notice is hereby given that the Annual General Meeting of Lowman Manufacturing Company Ltd will be held at 9.30 am on Tuesday 3 May 2022 at The Island, Lowman Green, Tiverton, Devon.

The business of the meeting will be:

- 1 To consider and adopt the Directors' report and the financial statements for the year ended 31 December 2021.
- 2 To re-elect the following directors:

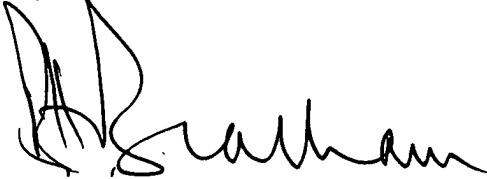
Mr William F Heathcoat Amory

Mr Bruce H Beacham

Any member of the company entitled to attend and vote at this meeting is also entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member.

The register of directors' shareholdings will be available for inspection from 15 minutes before the meeting until 15 minutes after.

By order of the Board



B H BEACHAM

Secretary

The Island
Lowman Green
Tiverton
Devon EX16 4LA

5 April 2022

Lowman Manufacturing Company Limited

Chairman's Report

The past year has been one of limited progress. We have debated the future of the housing stock in the context of forthcoming requirements to improve the energy efficiency of rented houses: this is expensive and would use a significant part of the company's cash reserves yet there would be little financial benefit in the form of higher rents. Consequently we will resume the policy of selling houses into owner-occupation as they become vacant unless the house is clearly suitable for profitable improvement or is part of a unified estate. We carry out those refurbishments with an increased emphasis on energy efficiency. There have been few in 2021 and the net result on house rentals shows a further improvement from £135,000 to £165,000.

The board regularly considers the best use of the company's cash reserves. One opportunity we have explored has been financial participation in house-building ventures organised by Devonshire Homes, part of our sister company London & Devonshire Trust. None have yet come to contract but we look forward to discussing more projects with them in the near future. Other potential investment opportunities are only in their early stages.

As an investor in property the company seeks a proper return on its assets. Following two years in which MST, our commercial tenant at Blundells Road, has not paid its rent (a period in which the government has not permitted us to take action to recover it) we expect the property to come back into our hands in a few months' time as MST has closed and is likely to be liquidated. The credit for the unpaid rental income has been written off in these accounts in view of MST's financial situation and our results obviously reflect that. We are sad to see our former subsidiary fail and are sympathetic to the problems the remaining staff will now face.

It is better news that the situation at Sichel has improved. While the negotiant business is still struggling to recover volumes of economically-viable business lost in the pandemic the Palmer operation has had a marked success as it moves even further up-market and the dividend from France has resumed at largely the same level as before 2020, bolstering the results reported here.

The most remarkable feature of the accounts is the improvement in the impact of the old pension scheme on the balance sheet. To some extent this is a result of further improvement in the values of the investments held, though they fell back significantly after the year end. More importantly the rise in long term interest rates has reduced the calculated value of the liabilities to pay pensions. The effect is to restore the company's realised reserves to positive territory. While this is most welcome the board does not yet feel able to resume dividend payments.



IH AMORY

Lowman Manufacturing Company Limited

Directors' Report

The directors present their report and the financial statements for the year ended 31 December 2021.

ACTIVITIES

The principal activity of the company is the management of portfolios of residential and commercial properties and investments.

A review of the company's activities is given in the Chairman's report.

The directors are of the opinion that the company's non-investment freehold land and buildings are worth an amount significantly in excess of their net book value.

RESULTS AND DIVIDEND

	2021	2020
	£'000	£'000
The profit for the year after taxation was:	41	27
The movement in other comprehensive income was a gain/(deficit) in respect of the historical pension scheme	2,079	(583)
No dividends were paid in the year or the previous year		
Amount transferred to/(from) reserves	2,120	(556)

The directors will not propose a dividend at the Annual General Meeting.

DIRECTORS

The directors in the year and since are as follows:

Sir Ian Heathcoat Amory, Bt (Chairman)

DP Heathcoat Amory

WF Heathcoat Amory

BH Beacham

CHARITABLE AND POLITICAL DONATIONS

Charitable donations of £500 (2020: £600) to local organisations were made in the year.

SMALL COMPANIES PROVISION STATEMENT

This report has been prepared in accordance with the special provisions relating to companies subject to the Small Companies regime within Part 15 of the Companies Act 2006.

Lowman Manufacturing Company Limited

Directors' Report (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE REPORTS AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Reports 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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:

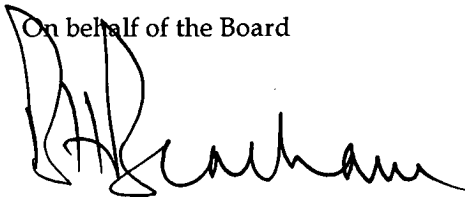
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the Board



B H BEACHAM

Secretary

5 April 2022

Independent Auditor's Report to the members of Lowman Manufacturing Company Limited

Opinion

We have audited the financial statements of Lowman Manufacturing Company Limited (the 'company') for the year ended 31 December 2021, which comprise Profit & Loss Account and Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the 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 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 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 year of at least twelve months from when the original financial statements were 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.

Independent Auditor's Report to the members of Lowman Manufacturing Company Limited (continued)

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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 3, 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 the 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.

Based on our understanding of the company and nature of the business, we identified the principal risks of non-compliance with laws and regulations as being those which have a direct impact on the preparation of the financial statements, such as The Companies Act 2006, and relevant tax legislation (Corporation Tax, VAT etc.), as well as legislation governing responsibilities as a landlord. We considered the extent to which non-compliance with these laws and regulations may have a material effect on the financial statements.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Independent Auditor's Report to the members of Lowman Manufacturing Company Limited (continued)

Based on this understanding we designed our audit procedures to identify irregularities. Our procedures involved the following:

- Enquiries of those charged with governance, regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
- Review of minutes of meetings of those charged with governance;
- Review a sample of records to ensure compliance with landlord regulations;
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Reviewing draft tax computations and involving the use of our specialists as required.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

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.

PKF Francis Clark

Centenary House
Peninsula Park
Rydon Lane
Exeter EX2 7XE

6 April 2022

NEIL HITCHINGS SENIOR STATUTORY AUDITOR
for and on behalf of PKF Francis Clark.

Lowman Manufacturing Company Limited

Profit and Loss Account Year ended 31 December 2021


	Note	2021 £'000	2020 £'000
TURNOVER		572	575
COST OF SALES		(423)	(319)
GROSS PROFIT		149	256
Administrative expenses		(333)	(378)
		(184)	(122)
Gains on investment and other freehold properties		-	116
Gains on fixed asset investments		165	49
Income from fixed asset investments		87	13
Other interest receivable		2	8
Interest payable	1	(29)	(37)
PROFIT BEFORE TAXATION	1	41	27
Tax on result	2	-	-
PROFIT FOR THE FINANCIAL YEAR		41	27
OTHER COMPREHENSIVE INCOME			
Profit for the financial year		41	27
Actuarial gain/(loss) in the defined benefit pension scheme	14	2,079	(583)
Total comprehensive income for the financial year		2,120	(556)

Lowman Manufacturing Company Limited

Balance Sheet 31 December 2021

		2021		2020	
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	6		6,270		6,225
Investments	7		1,745		1,586
			<u>8,015</u>		<u>7,811</u>
CURRENT ASSETS					
Debtors	8	141		257	
Bank		2,174		2,517	
		<u>2,315</u>		<u>2,774</u>	
CREDITORS (amounts falling due within one year)	9	(59)		(84)	
NET CURRENT ASSETS			2,256		2,690
TOTAL ASSETS LESS CURRENT LIABILITIES			10,271		10,501
PENSION LIABILITIES	14		-		(2,350)
NET ASSETS AFTER PENSION LIABILITIES			<u>10,271</u>		<u>8,151</u>
CAPITAL AND RESERVES					
Called up share capital	13		2,696		2,696
Share premium account			2,524		2,524
Profit and loss account			5,051		2,931
EQUITY SHAREHOLDERS' FUNDS			<u>10,271</u>		<u>8,151</u>

These financial statements were approved by the Board of Directors on 5 April 2022 and were signed on its behalf by



I H AMORY

Director

Company registered number: 1784930

Lowman Manufacturing Company Limited

Statement of Changes in Equity Year ended 31 December 2021

	Total shareholders' funds	Share capital and premium	Profit & loss account - Unrealised	Profit & loss account - Realised
Current year:	£'000	£'000	£'000	£'000
At 1 January 2021	8,151	5,220	4,255	(1,324)
Total comprehensive income for the year:				
Profit for the financial year	41			41
Dividends paid	-			-
Surplus for the year	41			41
Surplus on revaluation of property:				
Realisation of surplus on disposals			-	-
Transfer year's surplus to unrealised reserves			-	-
Surplus on revaluation of investments:				
Realisation of surplus on disposals			(33)	33
Transfer year's surplus to unrealised reserves			160	(160)
Other comprehensive income:				
Actuarial gain on assets and liabilities in the pension scheme	2,079			2,079
Total comprehensive income for the year	2,120	-	127	1,993
At 31 December 2021	10,271	5,220	4,382	669
Merged Profit and Loss Account under FRS102				5,051
Previous year:				
At 1 January 2020	8,707	5,220	4,282	(795)
Total comprehensive income for the year:				
Profit for the financial year	27			27
Dividends paid	-			-
Surplus for the year	27			27
Surplus on revaluation of property:				
Realisation of surplus on disposals			(52)	52
Transfer year's surplus to unrealised reserves			86	(86)
Surplus on revaluation of investments:				
Realisation of surplus on disposals			(61)	61
Transfer year's surplus to unrealised reserves			-	-
Other comprehensive income:				
Actuarial gain/(loss) on assets and liabilities in the pension scheme	(583)			(583)
Total comprehensive income for the year	(556)	-	(27)	(529)
At 31 December 2020	8,151	5,220	4,255	(1,324)
Merged Profit and Loss Account under FRS102				2,931

Lowman Manufacturing Company Limited

Cash Flow Statement Year ended 31 December 2021

	2021		2020	
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Profit for the year		41		27
Adjustments to remove non-cash and non-operating items:				
Depreciation charges		3		3
(Profit)/Loss on sale of tangible fixed assets		-		(116)
(Increase) in value of investment properties		-		-
(Profit)/Loss on sale of fixed asset investments		(5)		37
Decrease/(Increase) in value of fixed asset investments		(160)		(86)
(Income) from fixed asset investments		(87)		(12)
Interest (receivable)		(2)		(8)
Interest payable and finance charges and (credits)		29		37
Service cost of pensions, less contributions made		(300)		(262)
Income and corporation tax received/(paid)		-		-
		(481)		(380)
(Increase) / decrease in debtors		116		(28)
Increase / (decrease) in creditors		(25)		40
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		(390)		(368)
Cash flows from investing activities				
Receipts from sales of tangible fixed assets		-		191
Receipts from sales of investments	261		371	
Income from fixed asset investments	87		13	
Interest receivable	2		8	
Payments to acquire owned tangible fixed assets	(48)		(2)	
Payments to acquire investments	(255)		(333)	
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		47		248
EQUITY DIVIDENDS PAID		-		-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(343)		(120)
Cash and cash equivalents at the start of the year		2,517		2,637
Cash and cash equivalents at the end of the year		2,174		2,517

Lowman Manufacturing Company Limited

Accounting Policies 31 December 2021

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

General information

The company is a private limited company incorporated in England and Wales. The address of its registered office and principal place of business is The Island, Lowman Green, Tiverton, EX16 4LA.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard" applicable in the UK and Republic of Ireland ("FRS102"). The presentation currency of these financial statements is sterling.

The company is not required to prepare consolidated financial statements as its subsidiaries are dormant.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and thus have continued to adopt the going concern basis in the preparation of these financial statements. The company's exposure during the Covid pandemic is to volatile investment values, stopped dividends and rental income held back by commercial and residential tenants, and to potentially disrupted administration should staff fall ill. The directors consider that the company's experience of these exposures in 2021 gives no cause to foresee a need to change this basis.

Turnover

Turnover represents amounts derived from goods and services provided to customers in the year, including rental income, which is recognised on a straight line basis over the duration of the lease.

Tangible fixed assets

Freehold investment properties are stated at the directors' valuation of the properties on the basis of the open market value of the let estate in its current use and condition. Other fixed assets are stated at cost to the company, less depreciation.

Provision is made for depreciation of fixed assets in use for the company's operations, whether owned, hire purchased or leased, at rates which the directors consider will provide fairly for the diminution in the value of the assets over their following anticipated useful lives or the lease period of leased assets if shorter:

Freehold buildings	20 years, made in equal instalments
Plant and machinery	between 3 and 10 years, made in equal instalments

Investments held as fixed assets

Investments in equity instruments and bonds are measured initially at the transaction price. Subsequent to initial recognition investments that can be measured reliably are measured at fair value. The fair values of listed investments are the quoted mid prices. The fair values of unlisted investments are the market prices where sufficient evidence is available to substantiate them, otherwise they are valued at the cost of the investment less any impairment. Changes in value are recognised in profit and loss.

Investment income is accounted for when received and is stated net of investment management expenses. Profit before taxation includes the surplus of proceeds on disposal over the value at which an investment was carried in the last balance sheet.

Shares in group companies are stated at the nominal value of the shares issued as consideration for the acquisition of the subsidiaries, or the net amount paid in cash to acquire the shares, less amounts required to reflect any impairment of value.

Lowman Manufacturing Company Limited

Accounting Policies 31 December 2021

Cash and cash instruments consist of bank balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purposes only of the cash flow statement.

Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Each impairment loss recognised in prior periods is assessed at each reporting date for indications that the loss has decreased or no longer exists because the reasons for the impairment have ceased to apply but is reversed only to the extent that the asset's carrying amount does not then exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Trade and other debtors and creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. After initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS102.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered trust. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The company also operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held in trust separately from those of the company. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method discounted at the current rate of return on a high quality corporate bond of equivalent term and currency of the liability.

Any resulting pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus or deficit is split between operating charges, finance items and, in the statement of total comprehensive income, actuarial gains and losses.

Lowman Manufacturing Company Limited

Notes to the Financial Statements 31 December 2021

1 PROFIT/(LOSS) BEFORE TAXATION	2021	2020
The profit/(loss) is stated after (charging)/crediting:	£'000	£'000
Depreciation of owned fixed assets	(3)	(3)
Auditors' remuneration for the company	(11)	(13)
Income from listed investments	17	17
Provision for GMP Equalisation in the Lowman Pension Scheme	-	38
Interest payable consists of:		
Interest payable to banks	-	-
Other finance charges: Notional interest under FRS102:		
Interest on pension scheme assets	212	276
Interest on pension scheme liabilities	(241)	(313)
Total interest payable and similar charges	(29)	(37)
2 TAX ON RESULTS ON ORDINARY ACTIVITIES	2021	2020
	£'000	£'000
Corporation tax on income for the year	-	-
Deferred tax: Origination and reversal of timing differences	-	-
	-	-
The current tax charge for the year is lower (2020: lower) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:		
Profit/(loss) on ordinary activities before taxation	41	27
Tax at the UK corporation tax rate of 19% (2020: 19%)	8	5
The effects of:		
Timing differences in treatments of depreciation and provisions	(1)	(1)
Timing differences in the recognition of investment values	(24)	5
Income and expense excluded for tax purposes	(12)	(5)
Creation/(utilisation) of tax losses	80	46
Pension scheme charges introduced under FRS102	(51)	(50)
Total tax expense included in Profit for the Financial Year	-	-
3 EMPLOYMENT COSTS	2021	2020
Average number of employees, including part time staff and directors	6	6
Employee costs:	£'000	£'000
Wages and salaries	166	165
Social security costs	16	16
Other pension costs	6	5
	188	186
Directors' emoluments:	£'000	£'000
Total, excluding pension contributions	147	147
Emoluments of the highest-paid director	121	121
No directors benefited from contributions to pension schemes in the year or the previous year.		

Lowman Manufacturing Company Limited

Notes to the Financial Statements 31 December 2021

4 DIVIDENDS

No dividends were paid in the year or the previous year.

5 OPERATING LEASES

The investment properties are let under operating leases.

The following are the future minimum lease payments receivable under non-cancellable leases:

	2021	2020
	£'000	£'000
Receivable in:		
Less than one year	582	583
One to five years	440	115
More than five years	247	-
	<u>1,269</u>	<u>698</u>

6 TANGIBLE FIXED ASSETS

	Freehold Land & buildings		Equipment and vehicles	Total
	Investment properties	Other properties		
	at valuation £'000	at cost £'000	at cost £'000	£'000
Cost or valuation				
At 1 January 2021	6,010	321	42	6,373
Additions	48	-	-	48
Transfers between classes	-	-	-	-
Disposals	-	-	-	-
Revaluation in year	-	-	-	-
At 31 December 2021	<u>6,058</u>	<u>321</u>	<u>42</u>	<u>6,421</u>
Accumulated depreciation				
At 1 January 2021	-	110	38	148
Charge for the year	-	1	2	3
Transfers between classes	-	-	-	-
Disposals	-	-	-	-
At 31 December 2021	<u>-</u>	<u>111</u>	<u>40</u>	<u>151</u>
Net book amount				
At 31 December 2020	<u>6,010</u>	<u>211</u>	<u>4</u>	<u>6,225</u>
At 31 December 2021	<u>6,058</u>	<u>210</u>	<u>2</u>	<u>6,270</u>

All tangible fixed assets are owned.

The investment properties stated at the directors' valuation of £6,058,000 have an aggregate historic cost of £2,202,000 (2020: £2,154,000). Other properties include land at a cost of £208,000 (2020: £208,000) which is not depreciated.

The basis of valuation of the residential investments is the open market value of the individual properties discounted by 50% to reflect the tenancies to which they are subject. Open market valuations as at the balance sheet date are based on advice from professional valuers as at 31 December 2019. It is the opinion of the directors that these valuations are still materially correct.

The basis of valuation of the commercial investment properties is the expected rental income in normal rental circumstances capitalised at an appropriate discount rate.

Lowman Manufacturing Company Limited

Notes to the Financial Statements 31 December 2021

7 INVESTMENTS

	2021	2020
	£'000	£'000
Shares in group companies	-	-
Other investments	1,745	1,586
	<u>1,745</u>	<u>1,586</u>

Shares in Group Undertakings

All group undertakings are wholly owned companies incorporated in the United Kingdom, registered in England and held directly by the company. The subsidiaries, all of which are dormant and with a registered office the same as that of the company, are

LG Investments Limited
Lowman Financing Limited

LG Island (1) Limited
LG Island (2) Limited

Other Investments

Other Investments		2021		2020	
		Cost	Fair Value	Cost	Fair Value
		£'000	£'000	£'000	£'000
Listed:	UK	1,139	1,545	1,107	1,386
	Overseas	-	-	-	-
Unlisted		80	200	80	200
		1,219	1,745	1,187	1,586

The movements in the year were disposals of investments which cost £224,000 and acquisitions totalling £255,000.

8 DEBTORS

	2021	2020
	£'000	£'000
Other debtors	141	257
Prepayments and deferred expenses	-	-
	<u>141</u>	<u>257</u>

9 CREDITORS

	2021	2020
	£'000	£'000
Amounts falling due within one year:		
Non-corporate taxation and social security	27	39
Other creditors	8	23
Accruals and deferred income	24	22
	<u>59</u>	<u>84</u>

Lowman Manufacturing Company Limited

Notes to the Financial Statements 31 December 2021

10 DEFERRED TAXATION

The taxation liabilities deferred by timing differences in the treatment of gains, and the values of the tax assets represented by losses available to set against them, are as follow:

	Assets		Liabilities	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Gains on revaluation of investment property			508	386
Gains on revaluation of monetary investments			94	47
			602	433
Tax Losses carried forward	1,857	1,331		
At the end of the year	1,857	1,331	602	433

The net deferred tax asset after utilisation against liabilities as above is £1,255,000 (2020: £898,000) being losses at 25% (2020: 19%). No amounts have been recognised in respect of this net asset or for pension scheme liabilities charged to reserves but not yet allowed for tax as their recovery is uncertain.

11 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31 December 2021 and 2020 the company had no capital expenditure commitments and no contingent liabilities not provided for.

12 RELATED PARTIES

Mr WF Heathcoat Amory is interested in the contract the company has for the management of its residential properties. The amount paid under this contract in the year were management fees of £66,550 (2020: £65,880) and property repair costs of £163,000 (2020: £192,000). The net amount outstanding under this contract at the end of the year was a £3,990 creditor (2020: a debtor for £63,500).

Mr DP Heathcoat Amory is chairman of the tenant company of a let commercial property. The rent receivable in respect of the property in the year was £41,000 (2020: £41,000) and the amount receivable at the year end was £7,441 (2020: £7,399).

In a previous year a director received a loan for £23,000 from the company. Interest was charged on the loan at 2.5% and amounts were repayable on demand. At the balance sheet date the loan had been cleared (2020: £6,542 debtor).

13 CALLED UP SHARE CAPITAL

	2021		2020	
	Number	£'000	Number	£'000
Ordinary shares of 25p each				
Authorised	12,000,000	3,000	12,000,000	3,000
Allotted and fully paid	10,784,066	2,696	10,784,066	2,696

Lowman Manufacturing Company Limited

Notes to the Financial Statements 31 December 2021

14 PENSION COMMITMENTS

	2021	2020
	£'000	£'000
FRS102 Pension Provision	-	2,350

The company contributes to the Lowman Pension Scheme. The company has assumed the liabilities of its former subsidiaries and the scheme is wholly accounted for in the company's own balance sheet.

The defined benefits section of this scheme was closed to new members in 1998 and the accrual of service ceased for existing members on 31 March 2004. In this section the scheme provides benefits which include pensions based on sixtieths of pensionable salary and increases typically of 3% to 5% p.a. in pensions in payment.

Contributions to the scheme by the company for the liabilities under the defined benefit arrangements are made by reference to advice given by an independent qualified actuary, which is based on the results of the latest valuation of the scheme.

The latest statutory valuation was as at 1 April 2020. It showed the market value of the scheme's assets to be £23.04m, including annuities for insured pensioners, at that date.

Lowman Manufacturing Co Ltd, the Principal Employer, and the Trustees of the scheme have agreed a further recovery plan made by reference to advice given by the actuary, under which the company will continue to make contributions of £300,000 per year to the scheme until June 2027.

The defined contribution section of the scheme, which opened in March 1999 and into which the members formerly accruing service in the defined benefit section transferred, requires contributions from employees of 5% and from the employers of 4.5%. In addition the employers contribute 1% of pensionable pay towards the cost of providing life assurance benefits to all adult employees in service irrespective of membership of the scheme.

The company's contributions to pension schemes in the year are stated in note 3. The amount not yet paid over to the schemes at the year end was £2,325 (2020: £2,278). The investments of the scheme are self-managed by the trustees by way of managed investment funds and unit trusts.

The most recent actuarial valuation was completed as at 31 December 2021 using the FRS102 approach. The main assumptions used in that, and earlier, FRS102 valuations follow. They are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

	2021	2020
Rate of increase in salaries	n/a	n/a
Discount rate	1.9%	1.3%
Inflation assumption (RPI)	3.3%	3.1%

The rates used in the reports for both 2021 and 2020 for pre-retirement mortality are from the standard S3PMA/S3PFA tables, and for both 2021 and 2020 for post-retirement mortality are from the same tables, both projected by calendar year of birth, using the CMI (Core) 2020 Projection Model (2020: 2019 Model), with a 1% pa (2020: 1%) long term rate of improvement.

While the valuation shows a surplus of assets over liabilities on the chosen bases, this is not readily realisable by the company except by the variation of the 2020 Recovery Plan so that contributions cease immediately and the scheme pays its own expenses. Moreover, investment conditions have deteriorated significantly since the year end creating uncertainty about the continuation of the surplus. The directors have therefore decided not to recognise any surplus at this year end.

Lowman Manufacturing Company Limited

Notes to the Financial Statements

31 December 2021

14 PENSION COMMITMENTS (continued)

Analysis of scheme assets at 31 December	2021	2020
	£'000	£'000
Equities	6,029	5,232
Hedge Funds and Alternatives	6,698	6,538
Corporate Bonds and Property	167	163
Gilts and Other Bonds	3,182	3,596
Cash	670	817
Total fair value of scheme's assets	16,746	16,346
Present value of scheme's liabilities adjusted by Pension Asset cap	(16,746)	(18,696)
Recognised Net Pension Asset/(Liability for Deficit)	-	(2,350)

The Scheme's investments are held in unitised insurance and investment funds. The fair value of the Scheme's investments is the aggregate of the quoted bid prices of the units held.

In addition to the assets and liabilities reflected above there are annuities held by the trustees and valued on certain assumptions as at 1 April 2021 at a total of £9.4m (2020: £10.4m) securing liabilities to pensioners in payment valued at an equivalent amount.

The above Analysis of the scheme assets shows the fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and are thus inherently uncertain.

Movement in deficit in the year	2021			2020		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	£'000	£'000	£'000	£'000	£'000	£'000
At the beginning of the year	16,346	(18,696)	(2,350)	13,788	(15,780)	(1,992)
Interest return on assets *	212		212	276		276
Actual less expected return on assets **	220		220	2,261		2,261
Past service cost		-	-		(38)	(38)
Interest cost on liabilities *		(241)	(241)		(313)	(313)
Gains/(losses) on liabilities **		2,300	2,300		(2,844)	(2,844)
Contributions paid	300		300	300		300
Benefits paid and other netting items	(332)	332	-	(279)	279	-
Capping of resulting net asset		(441)	(441)		-	-
At the end of the year	16,746	(16,746)	-	16,346	(18,696)	(2,350)

Items marked * are recognised in Finance costs in the Profit and Loss Account. Items marked ** are recognised in the Statement of Other Comprehensive Income. Gains and (losses) on liabilities typically arise from experience or from changes in assumptions.

The Trustees of the Lowman Pension Scheme bought annuities in 2011 to secure the benefits payable to the pensioner body at that time and to reduce the mortality risks of the Scheme.

The Past service cost in 2020 was a provision relating to a further requirement under GMP equalisation for transfers made in past decades. This was recognised within Administrative Expenses.