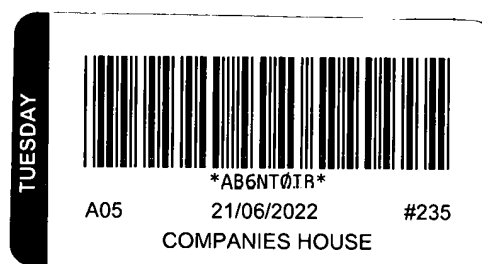


Strategic Report,
Report of the Directors and
Financial Statements
for the Year Ended
30th September 2021
for
GSPK Circuits Limited



GSPK Circuits Limited (Registered number: 03085850)

Contents of the Financial Statements
for the Year Ended 30th September 2021

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Statement of Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13
Trading and Profit and Loss Account	26

GSPK Circuits Limited
Company Information
for the Year Ended 30th September 2021

DIRECTORS:

A J Grisbrooke
S J Lloyd
M D Gibson
B D Gilbert
I S Kenyon
B D Pemberton
A Lloyd
J P Calver

SECRETARY:

R S Gambles

REGISTERED OFFICE:

The Maltings
63 High Street
Ware
Hertfordshire
SG12 9AD

REGISTERED NUMBER:

03085850 (England and Wales)

AUDITORS:

Meyer Williams
Chartered Accountants
& Statutory Auditors
Stag House
Old London Road
Hertford
Hertfordshire
SG13 7LA

GSPK Circuits Limited (Registered number: 03085850)

Strategic Report
for the Year Ended 30th September 2021

The Directors present their strategic report for the year ended 30th September 2021.

REVIEW OF BUSINESS

GSPK Circuits Limited, is part of a privately owned group of companies specialising in the electronics industry. GSPK is a global supplier of printed circuit boards and focuses on the fast-turnaround, prototyping and specialist printed circuit boards. With many years' experience in the electronics industry, GSPK Circuits are well placed to provide quality engineering and manufacturing in the production of printed circuit boards. Our purpose is to supply our customers with a product of the highest quality to ensure that they achieve solutions to their business needs.

The key financial performance indicators during the year were as follows:

	2021	2020	2019
Turnover (movement)	£1.4m	(£1.7m)	£0.8m
Gross profit %	38%	39%	39%
Net profit %	3%	(4%)	1%
Liquidity ratio %	105%	107%	132%
Debtor days	66	55	56

The Company's turnover increased in the year and as the Company navigated trading through the Covid 19 pandemic. Appropriate measures were taken to minimise its effect, but uncertainty still remains over how long the pandemic may last and its long term consequences. As the UK economy recovers the Directors believe that further growth can be obtained. The Directors are pleased with the Company's performance and the profit achieved in the year. This is pertinent when seen in the wider context of the Tappenden Group. Given the nature of the products produced across the group, each Company's performance will vary year on year, dependant on demand levels at each stage of the supply chain. Government assistance continued to be received in the form of job retention scheme payments which have been utilised to combat the challenging periods through the pandemic.

During the year the Company acquired a 100% interest in GSPK Design Limited a company which provides a full turnkey solution from design to delivery for all design and manufacturing requirements.

The Company continued to invest in its factory and production processes to ensure the quality of its products is maintained to the highest standard. Additional resources were allocated in the year to the training of staff to ensure the skills base and application of the latest production techniques is kept up to date. Both of these areas will continue to be a priority in the next trading year.

The Company faces different risks in a competitive industry, which are summarised below:

Strategic Report
for the Year Ended 30th September 2021

PRINCIPAL RISKS AND UNCERTAINTIES

Business Risk

The Directors consider that the Company's principal business risks are only normal trading risks such as losing major customers and an increase in the numbers of competitors, none of which are judged to be imminent or of a material nature.

Liquidity Risk

The Company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the Company has sufficient liquid resources to meet the operating needs of the business.

Credit Risk

The Company places its cash with creditworthy institutions and performs ongoing credit evaluations of its debtors' financial position. New customers who wish to enter into contracts with the Company are subject to credit verification procedures and relevant guarantees and undertakings are sought where appropriate. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

The carrying amount of cash and debtors represent the maximum credit risk that the Company is exposed to.

Foreign Currency Risk

The Company's principal foreign currency exposures arise from trading with overseas companies and the Company has limited its exposure by invoicing its overseas customers in sterling where ever possible although some exposure may still remain with regards to foreign currency costs. The Company policy permits but does not demand that these exposures be hedged in order to fix the cost in sterling.

Treasury Operations and Financial Instruments

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability (or equity instrument) in another entity. The Company's principal financial instruments include bank overdrafts and loans, used to raise finance for the Company's operations, and various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations.

Financial instruments are not entered into for speculative purposes.

ON BEHALF OF THE BOARD:

.....
R S Gambles - Secretary

Date: 8th June 2022

GSPK Circuits Limited (Registered number: 03085850)

Report of the Directors
for the Year Ended 30th September 2021

The Directors present their report with the financial statements of the Company for the year ended 30th September 2021.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of the development, manufacture and supply of printed circuit boards to the electronics industry.

DIVIDENDS

The total distribution of dividends for the year ended 30th September 2021 will be £nil.

DIRECTORS

The Directors shown below have held office during the whole of the period from 1st October 2020 to the date of this report.

A J Grisbrooke
S J Lloyd
M D Gibson
B D Gilbert
I S Kenyon
B D Pemberton
A Lloyd

Other changes in Directors holding office are as follows:

J P Calver - appointed 1st March 2021

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 ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

GSPK Circuits Limited (Registered number: 03085850)

Report of the Directors
for the Year Ended 30th September 2021

AUDITORS

The auditors, Meyer Williams, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

..... R. Gambles

R S Gambles - Secretary

Date: 8th June 2022

Report of the Independent Auditors to the Members of
GSPK Circuits Limited

Opinion

We have audited the financial statements of GSPK Circuits Limited (the 'Company') for the year ended 30th September 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30th September 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
GSPK Circuits 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 four, 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.

Report of the Independent Auditors to the Members of
GSPK Circuits Limited

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, and non-compliance with laws and regulations, our procedures included the following: enquiring of management concerning the Company's policies with regards identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; enquiring of management concerning the Company's policies detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; enquiring of management concerning the Company's policies in relation to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud; and obtaining an understanding of the legal and regulatory framework that the Company operates in and focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Company. The key laws and regulations we considered in this context included the UK Companies Act 2006, Financial Reporting Standard 102, applicable tax legislation and health and safety laws.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance concerning compliance with such laws and regulations and any actual or potential litigation or claims; inspection of relevant legal correspondence; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK). We are not responsible for preventing non compliance and cannot be expected to detect non-compliance with all laws and regulations.

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
GSPK Circuits 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.



Ralph Sears (Senior Statutory Auditor)
for and on behalf of Meyer Williams
Chartered Accountants
& Statutory Auditors
Stag House
Old London Road
Hertford
Hertfordshire
SG13 7LA

Date: 10th JUNE 2022

GSPK Circuits Limited (Registered number: 03085850)

Statement of Comprehensive
Income
for the Year Ended 30th September 2021

	Notes	30.09.21 £	30.09.20 £
TURNOVER	3	9,608,986	8,239,430
Cost of sales		<u>5,997,815</u>	<u>5,061,713</u>
GROSS PROFIT		3,611,171	3,177,717
Administrative expenses		<u>3,489,706</u>	<u>3,654,895</u>
		121,465	(477,178)
Other operating income		<u>194,365</u>	<u>193,189</u>
OPERATING PROFIT/(LOSS)	5	315,830	(283,989)
Interest payable and similar expenses	6	<u>55,259</u>	<u>54,037</u>
PROFIT/(LOSS) BEFORE TAXATION		260,571	(338,026)
Tax on profit/(loss)	7	<u>43,119</u>	<u>16,738</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		217,452	(354,764)
OTHER COMPREHENSIVE INCOME			
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>217,452</u>	<u>(354,764)</u>

The notes form part of these financial statements

GSPK Circuits Limited (Registered number: 03085850)

Balance Sheet
30th September 2021

	Notes	30.09.21 £	£	30.09.20 £	£
FIXED ASSETS					
Tangible assets	8		2,547,338		2,461,781
Investments	9		<u>22,000</u>		<u>-</u>
			2,569,338		2,461,781
CURRENT ASSETS					
Stocks	10	1,603,037		1,017,282	
Debtors	11	2,112,712		1,705,113	
Cash at bank		<u>90,299</u>		<u>45,056</u>	
		3,806,048		2,767,451	
CREDITORS					
Amounts falling due within one year	12	<u>3,287,188</u>		<u>2,579,341</u>	
NET CURRENT ASSETS			<u>518,860</u>		<u>188,110</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,088,198		2,649,891
CREDITORS					
Amounts falling due after more than one year	13		(641,963)		(464,401)
PROVISIONS FOR LIABILITIES	18		<u>(398,175)</u>		<u>(354,882)</u>
NET ASSETS			<u>2,048,060</u>		<u>1,830,608</u>
CAPITAL AND RESERVES					
Called up share capital	19		31,318		31,318
Share premium	20		145,577		145,577
Revaluation reserve	20		-		22,659
Other reserves	20		3,438		3,438
Retained earnings	20		<u>1,867,727</u>		<u>1,627,616</u>
SHAREHOLDERS' FUNDS			<u>2,048,060</u>		<u>1,830,608</u>

The financial statements were approved by the Board of Directors and authorised for issue on 8th June 2022
and were signed on its behalf by:



.....
A J Grisbrooke - Director

The notes form part of these financial statements

GSPK Circuits Limited (Registered number: 03085850)

Statement of Changes in Equity
for the Year Ended 30th September 2021

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1st October 2019	31,318	1,852,852	145,577
Changes in equity			
Total comprehensive income	-	(354,764)	-
Reserves transfer	-	129,528	-
Balance at 30th September 2020	<u>31,318</u>	<u>1,627,616</u>	<u>145,577</u>
Changes in equity			
Total comprehensive income	-	217,452	-
Reserves transfer	-	22,659	-
Balance at 30th September 2021	<u>31,318</u>	<u>1,867,727</u>	<u>145,577</u>
	Revaluation reserve £	Other reserves £	Total equity £
Balance at 1st October 2019	152,187	3,438	2,185,372
Changes in equity			
Total comprehensive income	-	-	(354,764)
Reserves transfer	(129,528)	-	-
Balance at 30th September 2020	<u>22,659</u>	<u>3,438</u>	<u>1,830,608</u>
Changes in equity			
Total comprehensive income	-	-	217,452
Reserves transfer	(22,659)	-	-
Balance at 30th September 2021	<u>-</u>	<u>3,438</u>	<u>2,048,060</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 30th September 2021

1. **STATUTORY INFORMATION**

GSPK Circuits Limited is a private Company, limited by shares, registered in England and Wales. 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 as modified by the revaluation of certain assets.

Preparation of consolidated financial statements

The financial statements contain information about GSPK Circuits Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Going concern

The Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. In making this assessment the Directors have considered the impact of the coronavirus outbreak (COVID-19) and the conflict in Ukraine on the Company, its employees, customers and third-party suppliers. While these events have had a significant impact on the global economy, and there is uncertainty how long they will continue to do so, the Directors do not believe they impact the use of the going concern basis of preparation nor do they cast significant doubt about the Company's ability to continue as a going concern for a period of twelve months from the date when the financial statements were authorised for issue. The Directors consider the Company's operations and capital base are sufficiently strong that they will not be significantly affected. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 33.7.

Related party exemption

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Notes to the Financial Statements - continued
for the Year Ended 30th September 2021

2. **ACCOUNTING POLICIES - continued**

Critical judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had a significant effect on amounts recognised in the financial statements:

The annual depreciation charge is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually.

The Directors make estimates of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, the factors considered include the current credit rating of the debtor, the ageing profile of debtors and historical experience.

The Company considers the recoverability of the costs of its stock holdings and the associated provisioning required. When calculating the stock impairment provision management considers the nature and condition of the stock as well as applying assumptions around future saleability.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied or services rendered, net of returns, discounts and valued added tax.

The Company recognises revenue when the significant risks and rewards of ownership have been transferred to the buyer; the Company retains no continuing involvement or control over the goods and the amount of revenue can be measured reliably.

Tangible fixed assets

Tangible fixed assets are measured at cost (or deemed cost), except for revalued plant and machinery, less accumulated depreciation and any accumulated impairment losses.

Where the fair value of fixed assets is assessed by the Directors at above net book value, the assets are revalued accordingly. Where fair value is assessed as less than net book value the assets are impaired. Increases in fair value above net book value but not cost are shown as reversals of depreciation. Increases in fair value above cost are shown as upwards revaluations and the movement is taken to the revaluation reserve.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- on a straight line basis, over a period between 8 to 16 years
Fixtures and fittings	- on a straight line basis, over a period up to 6 years

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less provisions required for diminution in value.

Notes to the Financial Statements - continued
for the Year Ended 30th September 2021

2. **ACCOUNTING POLICIES - continued**

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell, after making due allowance for obsolete and slow moving items.

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

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 effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents are represented by cash in hand and other short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk to changes in value.

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.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of corporation tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

The Directors periodically evaluate the position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in the periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing differences.

Research and development

Expenditure on pure and applied research and development is written off in the year in which it is incurred.

Notes to the Financial Statements - continued
for the Year Ended 30th September 2021

2. **ACCOUNTING POLICIES - continued**

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated useful lives.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals applicable to operating leases where substantially all of the benefits of ownership remain with the lessor are charged to the profit and loss account on a straight line basis over the term of the lease.

Pension costs and other post retirement benefits

The Company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the profit and loss account in the period to which they relate.

Financial instruments

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

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method; Debt instruments that are payable or receivable within one year, typically trade payables or receivables, 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 financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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 income statement.

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 the best estimate, which is an approximation, of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

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

Notes to the Financial Statements - continued
for the Year Ended 30th September 2021

2. ACCOUNTING POLICIES - continued

Government grants

Revenue grants to assist general activities are recognised in the Income Statement in the period in which they are received. Government assistance was provided in the form of the job retention scheme support, totalling £194,365 (2020: £176,050).

3. TURNOVER

The turnover and profit (2020 - loss) before taxation are attributable to the one principal activity of the Company.

An analysis of turnover by class of business is given below:

	30.09.21	30.09.20
	£	£
Product sales	8,840,460	7,205,934
Sales of services	7,481	6,350
Group product sales	489,540	454,295
Group overhead sales	<u>271,505</u>	<u>572,851</u>
	<u>9,608,986</u>	<u>8,239,430</u>

An analysis of turnover by geographical market is given below:

	30.09.21	30.09.20
	£	£
United Kingdom	6,890,568	5,784,240
Europe	2,350,700	2,196,601
Asia	253,459	190,023
Rest of World	1,612	-
North America	<u>112,647</u>	<u>68,566</u>
	<u>9,608,986</u>	<u>8,239,430</u>

4. EMPLOYEES AND DIRECTORS

	30.09.21	30.09.20
	£	£
Wages and salaries	2,137,268	2,408,225
Social security costs	180,961	199,140
Other pension costs	<u>110,983</u>	<u>107,544</u>
	<u>2,429,212</u>	<u>2,714,909</u>

Notes to the Financial Statements - continued
for the Year Ended 30th September 2021

4. **EMPLOYEES AND DIRECTORS - continued**

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

	30.09.21	30.09.20
Directors	7	7
Production	32	39
Administration	<u>39</u>	<u>42</u>
	<u>78</u>	<u>88</u>

	30.09.21	30.09.20
	£	£
Directors' remuneration	347,867	306,129
Directors' pension contributions to money purchase schemes	<u>35,649</u>	<u>34,886</u>

Information regarding the highest paid Director is as follows:

	30.09.21	30.09.20
	£	£
Emoluments etc	<u>78,804</u>	<u>78,678</u>

5. **OPERATING PROFIT/(LOSS)**

The operating profit (2020 - operating loss) is stated after charging/(crediting):

	30.09.21	30.09.20
	£	£
Other operating leases	136,808	120,900
Depreciation - owned assets	398,394	463,946
Loss/(profit) on disposal of fixed assets	19,312	(43,451)
Auditors' remuneration	14,000	14,257
Foreign exchange differences	7,905	(17,139)
Research and development expenditure	<u>174,922</u>	<u>143,828</u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	30.09.21	30.09.20
	£	£
Bank overdraft interest	22,829	26,341
Hire purchase interest	<u>32,430</u>	<u>27,696</u>
	<u>55,259</u>	<u>54,037</u>

Notes to the Financial Statements - continued
for the Year Ended 30th September 2021

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	30.09.21	30.09.20
	£	£
Current tax:		
UK corporation tax	(174)	(68,514)
Deferred tax	<u>43,293</u>	<u>85,252</u>
Tax on profit/(loss)	<u><u>43,119</u></u>	<u><u>16,738</u></u>

UK corporation tax has been charged at 19%.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	30.09.21	30.09.20
	£	£
Profit/(loss) before tax	<u><u>260,571</u></u>	<u><u>(338,026)</u></u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	49,508	(64,225)
Effects of:		
Expenses not deductible for tax purposes	(2,627)	1,790
Adjustments to tax charge in respect of previous periods	(174)	-
Capital allowances in excess of depreciation	(56,639)	(93,346)
Marginal rate on losses carried back	-	(527)
Enhanced relief on R&D expenditure	(43,206)	(35,525)
Lower tax rates on R&D claim	-	14,886
Deferred tax	43,293	85,252
Capitalised revenue allowable	(43)	(67)
Group relief	53,007	99,275
Trading losses carried forward	<u>-</u>	<u>9,225</u>
Total tax charge	<u><u>43,119</u></u>	<u><u>16,738</u></u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 30th September 2021.

Notes to the Financial Statements - continued
for the Year Ended 30th September 2021

8. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Totals £
COST OR VALUATION			
At 1st October 2020	4,261,267	2,227,735	6,489,002
Additions	482,821	20,442	503,263
Disposals	<u>(216,150)</u>	<u>-</u>	<u>(216,150)</u>
At 30th September 2021	<u>4,527,938</u>	<u>2,248,177</u>	<u>6,776,115</u>
DEPRECIATION			
At 1st October 2020	2,109,966	1,917,255	4,027,221
Charge for year	319,827	78,567	398,394
Eliminated on disposal	<u>(196,838)</u>	<u>-</u>	<u>(196,838)</u>
At 30th September 2021	<u>2,232,955</u>	<u>1,995,822</u>	<u>4,228,777</u>
NET BOOK VALUE			
At 30th September 2021	<u>2,294,983</u>	<u>252,355</u>	<u>2,547,338</u>
At 30th September 2020	<u>2,151,301</u>	<u>310,480</u>	<u>2,461,781</u>

Cost or valuation at 30th September 2021 is represented by:

	Plant and machinery £	Fixtures and fittings £	Totals £
Valuation in 2007	147,719	-	147,719
Valuation in 2012	1,358,757	-	1,358,757
Valuation in 2017	38,350	-	38,350
Cost	<u>2,983,112</u>	<u>2,248,177</u>	<u>5,231,289</u>
	<u>4,527,938</u>	<u>2,248,177</u>	<u>6,776,115</u>

If plant and machinery had not been revalued it would have been included at the following historical cost:

	30.09.21 £	30.09.20 £
Cost	<u>2,984,112</u>	<u>2,716,441</u>
Aggregate depreciation	<u>1,560,014</u>	<u>1,305,692</u>

Plant and machinery was valued on a market value basis on 30th September 2017 by the Directors.

The Directors have reviewed the valuation of plant and machinery during 2021 and concluded that there is no significant movement in this valuation as at 30th September 2021.

GSPK Circuits Limited (Registered number: 03085850)

Notes to the Financial Statements - continued
for the Year Ended 30th September 2021

8. **TANGIBLE FIXED ASSETS - continued**

Plant and Machinery includes fixed assets with a net book value of £1,615,095 (2020: £1,038,971) which are held under hire purchase contracts.

9. **FIXED ASSET INVESTMENTS**

	Shares in group undertaking £
COST	
Additions	<u>22,000</u>
At 30th September 2021	<u>22,000</u>
NET BOOK VALUE	
At 30th September 2021	<u>22,000</u>

During the year, the Company acquired 100% of the shareholding of GSPK Design Limited.

10. **STOCKS**

	30.09.21 £	30.09.20 £
Raw materials	644,916	342,352
Work-in-progress	55,727	41,657
Finished goods	<u>902,394</u>	<u>633,273</u>
	<u>1,603,037</u>	<u>1,017,282</u>

11. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.09.21 £	30.09.20 £
Trade debtors	1,660,592	1,227,851
Amounts due by group undertakings	266,353	211,245
Other debtors	5,621	37,423
Corporation tax recoverable	20,547	94,530
Prepayments	<u>159,599</u>	<u>134,064</u>
	<u>2,112,712</u>	<u>1,705,113</u>

Notes to the Financial Statements - continued
for the Year Ended 30th September 2021

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.09.21	30.09.20
	£	£
Invoice discounting loans (see note 14)	1,041,959	799,194
Hire purchase contracts (see note 15)	341,604	281,296
Trade creditors	1,312,310	758,248
Amounts due to group undertakings	369,894	415,112
Social security and other taxes	57,935	149,795
Accruals and deferred income	163,486	175,696
	<u>3,287,188</u>	<u>2,579,341</u>

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

	30.09.21	30.09.20
	£	£
Hire purchase contracts (see note 15)	<u>641,963</u>	<u>464,401</u>

14. LOANS

An analysis of the maturity of loans is given below:

	30.09.21	30.09.20
	£	£
Amounts falling due within one year or on demand:		
Invoice discounting loans	<u>1,041,959</u>	<u>799,194</u>

15. LEASING AGREEMENTS

Minimum payments under hire purchase contracts fall due as follows:

	Hire purchase contracts	
	30.09.21	30.09.20
	£	£
Net obligations repayable:		
Within one year	341,604	281,296
Between one and five years	<u>641,963</u>	<u>464,401</u>
	<u>983,567</u>	<u>745,697</u>

Notes to the Financial Statements - continued
for the Year Ended 30th September 2021

15. **LEASING AGREEMENTS - continued**

The Company had the following future minimum lease commitments payable under non-cancellable operating leases for each of the following periods:

	Operating leases	
	30.09.21	30.09.20
	£	£
Within one year	123,957	123,957
Between one and five years	472,120	483,180
More than five years	-	110,000
	<u>596,077</u>	<u>717,137</u>

16. **SECURED DEBTS**

The following secured debts are included within creditors:

	30.09.21	30.09.20
	£	£
Hire purchase contracts	983,567	745,697
Invoice discounting loans	<u>1,041,959</u>	<u>799,194</u>
	<u>2,025,526</u>	<u>1,544,891</u>

Invoice discounting loans are secured by a debenture dated 25th July 2007, an all assets debenture dated 28th August 2007 and a chattel mortgage dated 10th October 2007.

Hire purchase obligations are secured on the assets to which they relate.

17. **FINANCIAL INSTRUMENTS**

	30.09.21	30.09.20
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	<u>90,299</u>	<u>45,056</u>
	<u>90,299</u>	<u>45,056</u>

18. **PROVISIONS FOR LIABILITIES**

	30.09.21	30.09.20
	£	£
Deferred tax		
Revaluation reserve	-	4,305
Trading losses carried forward	-	(9,225)
Accelerated capital allowances	<u>398,175</u>	<u>359,802</u>
	<u>398,175</u>	<u>354,882</u>

GSPK Circuits Limited (Registered number: 03085850)

Notes to the Financial Statements - continued
for the Year Ended 30th September 2021

18. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1st October 2020	354,882
Provided during year	<u>43,293</u>
Balance at 30th September 2021	<u>398,175</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.09.21	30.09.20
			£	£
31,318	Ordinary	£1	<u>31,318</u>	<u>31,318</u>

20. RESERVES

The transfer from the revaluation reserve to the profit and loss account represents the release of the depreciation charge on revalued assets and gains realised on the disposals of revalued assets.

The balance of £3,438 on the other reserve relates to a capital redemption reserve.

21. PARENT AND ULTIMATE PARENT COMPANY

Tappenden & Co Limited has been the parent and ultimate parent Company during the current and previous year.

The results of the Company are included in the consolidated financial statements of Tappenden & Co Limited, which are available to the public from the Registrar of Companies, Companies House, Crown Way, Cardiff CF4 3UZ.

22. CAPITAL COMMITMENTS

	30.09.21	30.09.20
	£	£
Contracted but not provided for in the financial statements	<u>27,000</u>	<u>82,244</u>

Notes to the Financial Statements - continued
for the Year Ended 30th September 2021

23. **RELATED PARTY DISCLOSURES**

The Company has taken advantage of the exemption, under the terms of Financial Reporting Standard 102 'The Financial Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

	30.09.21	30.09.20
	£	£
Other related parties:		
Included in the Profit and Loss account		
Purchases	3,235,667	2,301,224
Admin expenses	68,718	127,942
Included in Creditors		
Trade creditors	797,261	352,446