

**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 March 2022
for
SG World Limited**

**Contents of the Consolidated Financial Statements
for the year ended 31 March 2022**

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SG World Limited
Company Information
for the year ended 31 March 2022

DIRECTORS:	M P Haase D H Kinsman R Nichols
SECRETARY:	Mrs D Brandon-Sweeney
REGISTERED OFFICE:	Arnold Haase House Duchy Road Crewe Cheshire CW1 6ND
REGISTERED NUMBER:	03451910 (England and Wales)
SENIOR STATUTORY AUDITOR:	Stuart Banks BSc FCA
AUDITORS:	Banks Sheridan (Statutory Auditor) Datum House Electra Way Crewe Cheshire CW1 6ZF

**Group Strategic Report
for the year ended 31 March 2022**

The directors present their strategic report of the company and the group for the year ended 31 March 2022.

BUSINESS REVIEW

Overall, the past 12 months has seen the general economic environment return from the extreme lows of the pandemic, however the first 6 months of the financial year were slower to grow back than anticipated.

SG World's group results for the financial year show an increase in revenue of £770k in comparison to Prior Year (PY), enabled by a continuous review of the operating model, and a strong focus on key sales areas, with concentrated efforts on obtaining growth in both our Health and Safety systems and in-house developed software solutions. We have experienced a slower return of revenue in the more traditional Visitor and Contractor Management product sets, but we expect these to recover further as businesses return to normal habits. In addition, we have developed ranges in signage and large format which are attractive to the same customer groups.

Group gross profit (GP%) has increased by 9.49% in comparative to PY, with effects of the cost management programmes in FY21 beginning to be realised during the year, primarily due to our initiatives including reduced headcount and continued focus on our cost of sales, raw material prices and energy prices. The realised growth in GP% is a positive step as this has still been a challenging year for cost management, but we have continued to manage this and secure our supply chain whilst maintaining our quality products and services. Overall, we have a firm base to build and plan for our future.

Despite all the various challenges, the year finished with a positive set of results, with an increase in profit of £574k, as shown by the key indicators below, and the outlook for SG World is a positive one with plans for growth and new opportunities.

The group and company balance sheets have been improved by a revaluation of the freehold property, which has been included in these financial statements. The group cash and liquidity positions have been significantly improved by a restructuring of borrowings since the year end (see below).

KEY PERFORMANCE INDICATORS

The principal key performance indicators are:

	2022	2021
Revenue	£5.67m	£4.90m
Gross profit %	50.13%	40.64%
Net profit/(loss)	£69k	(£505k)
Shareholders' funds	£3.92m	£3.20m
External borrowings	£2.95m	£3.28m

PRINCIPAL RISKS AND UNCERTAINTIES

The main risks for the business in the coming year are the ongoing war in Ukraine, as that has a probable effect on raw material and energy costs. Additionally, other external factors such as potential interest rate rises and the cost of borrowing, together with the slower than anticipated return to normal growth patterns in the external economic environment, will continue to constrain growth potential for many businesses. However, with the above results, excellent credit management, pivoting the product range, and further implementation of automation, SG World is on a well formulated growth trajectory.

**Group Strategic Report
for the year ended 31 March 2022**

SUBSEQUENT EVENTS

Given these challenges the Board undertook a comprehensive review of the financial arrangements in place following the pandemic, particularly the borrowings taken on during that period. There were clear opportunities afforded by the reducing balance on the existing mortgage, leading the Board to explore new funding via a re-mortgage, to consolidate and reduce its monthly commitments and cap its exposure using fixed term lending. This was completed in December 2022 using a 5-year fixed rate allowing certainty and effective planning for the coming years.

ON BEHALF OF THE BOARD:

M P Haase - Director

19 December 2022

**Report of the Directors
for the year ended 31 March 2022**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2022.

DIVIDENDS

The total amount of dividends paid in the year was £3,490.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

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

M P Haase
D H Kinsman
R Nichols

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group'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 group's auditors are aware of that information.

ON BEHALF OF THE BOARD:

M P Haase - Director

19 December 2022

Report of the Independent Auditors to the Members of SG World Limited

Opinion

We have audited the financial statements of SG World Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, 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 group's and of the parent company affairs as at 31 March 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group 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 Group 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 Group 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 SG World Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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.

As part of our planning procedures we gained an understanding of the legal and regulatory framework applicable to the company and the industry that it operates and considered the risks of acts by the company that were contrary to applicable laws and regulations, including fraud. This involved discussions with local management and inspection of any available regulatory and legal correspondence. We communicated identified laws and regulations throughout our audit team and remained alert to any implications of non-compliance throughout the audit.

In addressing the risk of fraud through management override of controls we tested the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of potential management bias, and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. In addition we performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud.

Owing to the inherent limitations of an audit there is an unavoidable risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. The primary responsibility for the prevention and detecting of irregularities, including fraud, rests with management.

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
SG World 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.

Stuart Banks BSc FCA (Senior Statutory Auditor)
for and on behalf of Banks Sheridan (Statutory Auditor)
Datum House
Electra Way
Crewe
Cheshire
CW1 6ZF

19 December 2022

**Consolidated
Income Statement
for the year ended 31 March 2022**

	Notes	2022 £	2021 £
TURNOVER	5	5,666,564	4,896,003
Cost of sales		<u>(2,825,893)</u>	<u>(2,906,440)</u>
GROSS PROFIT		2,840,671	1,989,563
Distribution costs		(758,297)	(1,025,906)
Administrative expenses		<u>(2,226,540)</u>	<u>(2,642,452)</u>
		(144,166)	(1,678,795)
Other operating income		<u>377,723</u>	<u>1,167,797</u>
OPERATING PROFIT/(LOSS)	7	233,557	(510,998)
Profit on disposal of fixed asset investments	8	-	689,704
Exceptional costs	8	<u>-</u>	<u>(585,109)</u>
		233,557	(406,403)
Interest receivable and similar income		<u>73</u>	<u>479</u>
		233,630	(405,924)
Interest payable and similar expenses	9	<u>(164,387)</u>	<u>(99,125)</u>
PROFIT/(LOSS) BEFORE TAXATION		69,243	(505,049)
Tax on profit/(loss)	10	<u>(35,441)</u>	<u>237,888</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>33,802</u>	<u>(267,161)</u>
Profit/(loss) attributable to: Owners of the parent		<u>33,802</u>	<u>(267,161)</u>

The notes form part of these financial statements

**Consolidated
Other Comprehensive Income
for the year ended 31 March 2022**

Notes	2022 £	2021 £
PROFIT/(LOSS) FOR THE YEAR	33,802	(267,161)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Foreign exchange (losses)/gains arising on translation of overseas subsidiary undertakings	3,303	(3,731)
Income tax relating to other comprehensive income/(loss)	-	-
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF INCOME TAX	<u>3,303</u>	<u>(3,731)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u>37,105</u>	<u>(270,892)</u>
Total comprehensive income attributable to: Owners of the parent	<u>37,105</u>	<u>(270,892)</u>

The notes form part of these financial statements

SG World Limited (Registered number: 03451910)

**Consolidated Statement of Financial Position
31 March 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	13	913,513	819,221
Tangible assets	14	5,596,796	4,946,100
Investments	15	-	-
		<u>6,510,309</u>	<u>5,765,321</u>
CURRENT ASSETS			
Stocks	16	259,193	236,479
Debtors: amounts falling due within one year	17	2,457,906	2,234,053
Debtors: amounts falling due after more than one year	17	142,484	19,457
Cash at bank and in hand		248,084	51,027
		<u>3,107,667</u>	<u>2,541,016</u>
CREDITORS			
Amounts falling due within one year	18	(2,814,944)	(2,574,940)
NET CURRENT ASSETS/(LIABILITIES)		<u>292,723</u>	<u>(33,924)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,803,032	5,731,397
CREDITORS			
Amounts falling due after more than one year	19	(2,334,926)	(2,309,830)
PROVISIONS FOR LIABILITIES	24	<u>(545,100)</u>	<u>(225,022)</u>
NET ASSETS		<u>3,923,006</u>	<u>3,196,545</u>
CAPITAL AND RESERVES			
Called up share capital	25	121,147	121,147
Share premium	26	3,150	3,150
Revaluation reserve	26	1,769,054	1,089,064
Capital redemption reserve	26	191,668	191,668
Retained earnings	26	1,837,987	1,791,516
SHAREHOLDERS' FUNDS		<u>3,923,006</u>	<u>3,196,545</u>

The financial statements were approved by the Board of Directors and authorised for issue on 19 December 2022 and were signed on its behalf by:

M P Haase - Director

The notes form part of these financial statements

SG World Limited (Registered number: 03451910)

**Company Statement of Financial Position
31 March 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	13	501,444	398,029
Tangible assets	14	5,495,414	4,791,076
Investments	15	128,743	128,743
		<u>6,125,601</u>	<u>5,317,848</u>
CURRENT ASSETS			
Stocks	16	202,850	187,863
Debtors: amounts falling due within one year	17	4,021,058	3,577,399
Debtors: amounts falling due after more than one year	17	-	1,134
Cash at bank and in hand		222,722	23,023
		<u>4,446,630</u>	<u>3,789,419</u>
CREDITORS			
Amounts falling due within one year	18	(2,527,609)	(2,319,462)
NET CURRENT ASSETS		<u>1,919,021</u>	<u>1,469,957</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,044,622	6,787,805
CREDITORS			
Amounts falling due after more than one year	19	(2,334,926)	(2,309,830)
PROVISIONS FOR LIABILITIES	24	(532,300)	(253,127)
NET ASSETS		<u>5,177,396</u>	<u>4,224,848</u>
CAPITAL AND RESERVES			
Called up share capital	25	121,147	121,147
Share premium	26	3,150	3,150
Revaluation reserve	26	1,769,054	1,089,064
Capital redemption reserve	26	191,668	191,668
Retained earnings	26	3,092,377	2,819,819
SHAREHOLDERS' FUNDS		<u>5,177,396</u>	<u>4,224,848</u>
Company's profit for the financial year		<u>263,192</u>	<u>61,812</u>

The financial statements were approved by the Board of Directors and authorised for issue on 19 December 2022 and were signed on its behalf by:

M P Haase - Director

The notes form part of these financial statements

**Consolidated Statement of Changes in Equity
for the year ended 31 March 2022**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 April 2020	121,147	2,316,612	3,150
Changes in equity			
Dividends	-	(254,204)	-
Total comprehensive loss	-	(270,892)	-
Balance at 31 March 2021	<u>121,147</u>	<u>1,791,516</u>	<u>3,150</u>
Changes in equity			
Dividends	-	(3,490)	-
Total comprehensive income	-	37,105	-
Transfer	-	12,856	-
Balance at 31 March 2022	<u>121,147</u>	<u>1,837,987</u>	<u>3,150</u>
	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 April 2020	-	191,668	2,632,577
Changes in equity			
Dividends	-	-	(254,204)
Total comprehensive loss	-	-	(270,892)
Revaluation in year	1,089,064	-	1,089,064
Balance at 31 March 2021	<u>1,089,064</u>	<u>191,668</u>	<u>3,196,545</u>
Changes in equity			
Dividends	-	-	(3,490)
Total comprehensive income	-	-	37,105
Revaluation in year	692,846	-	692,846
Transfer	(12,856)	-	-
Balance at 31 March 2022	<u>1,769,054</u>	<u>191,668</u>	<u>3,923,006</u>

The notes form part of these financial statements

**Company Statement of Changes in Equity
for the year ended 31 March 2022**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 April 2020	121,147	3,012,211	3,150
Changes in equity			
Dividends	-	(254,204)	-
Total comprehensive income	-	61,812	-
Balance at 31 March 2021	<u>121,147</u>	<u>2,819,819</u>	<u>3,150</u>
Changes in equity			
Dividends	-	(3,490)	-
Total comprehensive income	-	263,192	-
Transfer	-	12,856	-
Balance at 31 March 2022	<u>121,147</u>	<u>3,092,377</u>	<u>3,150</u>
	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 April 2020	-	191,668	3,328,176
Changes in equity			
Dividends	-	-	(254,204)
Total comprehensive income	-	-	61,812
Revaluation in year	1,089,064	-	1,089,064
Balance at 31 March 2021	<u>1,089,064</u>	<u>191,668</u>	<u>4,224,848</u>
Changes in equity			
Dividends	-	-	(3,490)
Total comprehensive income	-	-	263,192
Revaluation in year	692,846	-	692,846
Transfer	(12,856)	-	-
Balance at 31 March 2022	<u>1,769,054</u>	<u>191,668</u>	<u>5,177,396</u>

**Consolidated Statement of Cash Flows
for the year ended 31 March 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	232,703	118,958
Interest paid		(74,306)	(52,122)
Interest element of hire purchase payments paid		(7,183)	(11,842)
Tax paid		-	(5,500)
Tax refund		29,866	-
Net cash from operating activities		<u>181,080</u>	<u>49,494</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(30,624)	(28,446)
Sale of intangible fixed assets		(11,499)	-
Sale of tangible fixed assets		239	-
Sale of fixed asset investments		-	75,000
Purchase of intangible fixed assets		-	(9,979)
Own work capitalised		(157,431)	(129,095)
Interest received		(138)	45
Net cash from investing activities		<u>(199,453)</u>	<u>(92,475)</u>
Cash flows from financing activities			
New loans taken out in year		940,000	1,000,000
Loan repayments in year		(510,728)	(787,514)
Capital repayments in year		(99,075)	(109,170)
Amount introduced by directors		14,525	36,762
Amount withdrawn by directors		(6,662)	(16,606)
Equity dividends paid		(3,490)	(254,204)
Net cash from financing activities		<u>334,570</u>	<u>(130,732)</u>
Increase/(decrease) in cash and cash equivalents		<u>316,197</u>	<u>(173,713)</u>
Cash and cash equivalents at beginning of year	2	(596,990)	(423,277)
Cash and cash equivalents at end of year	2	<u>(280,793)</u>	<u>(596,990)</u>

The notes form part of these financial statements

Notes to the Consolidated Statement of Cash Flows
for the year ended 31 March 2022

1. **RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2022	2021
	£	£
Profit/(loss) before taxation	69,243	(505,049)
Depreciation charges	344,309	344,563
Loss on disposal of fixed assets	9,350	-
Effect of exchange differences	3,296	(3,690)
(Decrease)/increase in provisions	(21,693)	63,547
Government grants	(82,898)	(35,159)
Finance costs	164,387	99,125
Finance income	(73)	(479)
	<u>485,921</u>	<u>(37,142)</u>
(Increase)/decrease in stocks	(22,714)	22,513
(Increase)/decrease in trade and other debtors	(261,018)	165,670
Increase/(decrease) in trade and other creditors	<u>30,514</u>	<u>(32,083)</u>
Cash generated from operations	<u><u>232,703</u></u>	<u><u>118,958</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	248,084	51,027
Bank overdrafts	<u>(528,877)</u>	<u>(648,017)</u>
	<u><u>(280,793)</u></u>	<u><u>(596,990)</u></u>

Year ended 31 March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	51,027	373,271
Bank overdrafts	<u>(648,017)</u>	<u>(796,548)</u>
	<u><u>(596,990)</u></u>	<u><u>(423,277)</u></u>

SG World Limited (Registered number: 03451910)

**Notes to the Consolidated Statement of Cash Flows
for the year ended 31 March 2022**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.21 £	Cash flow £	At 31.3.22 £
Net cash			
Cash at bank and in hand	51,027	197,057	248,084
Bank overdrafts	<u>(648,017)</u>	<u>119,140</u>	<u>(528,877)</u>
	<u>(596,990)</u>	<u>316,197</u>	<u>(280,793)</u>
Debt			
Finance leases	(207,646)	99,075	(108,571)
Debts falling due within 1 year	(346,292)	(302,087)	(648,379)
Debts falling due after 1 year	<u>(2,201,259)</u>	<u>(125,168)</u>	<u>(2,326,427)</u>
	<u>(2,755,197)</u>	<u>(328,180)</u>	<u>(3,083,377)</u>
Total	<u>(3,352,187)</u>	<u>(11,983)</u>	<u>(3,364,170)</u>

The notes form part of these financial statements

**Notes to the Consolidated Financial Statements
for the year ended 31 March 2022**

1. GENERAL INFORMATION

SG World Limited ('The Company') is the head of a group primarily engaged in the marketing and manufacture of business systems, accounting forms and continuous stationery.

2. STATUTORY INFORMATION

SG World 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 General Information page.

3. STATEMENT OF COMPLIANCE

The group and individual financial statements of SG World Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Accounting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and the Companies Act 2006.

4. ACCOUNTING POLICIES

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

The consolidated and individual financial statements are prepared on the going concern basis under the historical cost convention and comply with the United Kingdom Accounting Standards and Companies Act 2006.

Disclosure exemptions

The parent company satisfies the criteria as being a qualifying entity as defined in FRS 102 and has taken advantage of reduced disclosure in not preparing a company statement of cash flow.

Going concern

The group's cash and liquidity position was significantly improved by a restructuring of the group's borrowings in December 2022 (see Group Strategic Report).

The group has prepared budgets and cash flows for a period of at least twelve months from the date of the approval of the financial statements for all group Companies which demonstrate that there is no material uncertainty regarding the companies ability to meet their liabilities as they fall due, and to continue as a going concern.

On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022**

4. ACCOUNTING POLICIES - continued

Basis of consolidation

The group financial statements consolidate the financial statements of SG World Limited and its subsidiary undertakings, which are all made up to 31 March.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

SG World USA LLC, a company based in USA, is not included in the consolidation as the shares in this company are not held by the group and the group does not have the power to govern the financial and operational policies of SG World USA LLC.

Key accounting judgements and estimates

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are those relating to the impairment of assets.

Significant balances are due from entities in which the group has non-controlling interests and other related party entities at the period end reporting date. It is considered by management that these amounts will be repayable with no further impairments required to be recognised.

An impairment loss is recognised against stock where the selling price less costs to complete and sell of stock is less than cost. In arriving at this impairment loss, judgements and estimates have been used to assess the anticipated future selling prices of stocks held at the end of the reporting period, particularly for slow-moving and returned stock items.

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022**

4. ACCOUNTING POLICIES - continued

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents net invoiced sales of goods, net of returns and discounts, excluding value added tax. Revenue is recognised on the date the goods are despatched to the customer. Freight charges made to customers are included in revenue.

Income from maintenance contracts and from licence income is recognised on an accruals basis over the period to which they relate and in line with the obligations which are required to be fulfilled. The amount of deferred income is included within accruals and deferred income: amounts falling due within one year.

Operating lease income

Operating lease income is recognised on a straight line basis over the period of the lease or to the date of the next rent review.

Goodwill and intangible fixed assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to the income statement. Amortisation is calculated using the straight line method, to allocate the cost of the assets over their estimated useful economic lives as follows:

Goodwill	- 5 years and 20 years
Owned territories	- 5 years
Share in territories	- 5 years
Research and development	- 8 years
Computer software and website costs	- 4 years and 5 years

All goodwill and intangible fixed assets are subject to an annual review for diminution in value. The useful economic lives are considered by the directors to be consistent with the period in which benefits are expected to accrue.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended, including internal labour.

Depreciation is provided at the following annual rates so as to write off their cost less residual amounts over their estimated useful economic lives. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount.

Freehold property	- 2.5% on cost
Plant and machinery	- 3.33% - 20% on cost
Fixtures and fittings	- 5% - 50% on cost
Motor vehicles	- Straight line over either the remainder of lease or 4 years

The residual values and useful lives of assets are reviewed and adjusted if appropriate at each reporting period end date.

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022**

4. ACCOUNTING POLICIES - continued

Stocks

Stocks are stated at the lower of cost and selling price less costs to complete and sell. Cost includes all costs of purchase and also other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out basis.

An impairment loss is recognised for damaged, returned and slow-moving stock where appropriate.

Taxation

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

Current taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the end of the financial year.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the end of the financial year.

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

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

Research and development

Expenditure on research and development is written off in the year it is incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. The expenditure carried forward is treated as an intangible fixed asset and amortised over its estimated economic life of 8 years so as to match the expenditure with the anticipated sales from the related income.

Foreign currency

The financial statements are prepared in sterling, which is also the functional currency of the group.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the date of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. Exchange gains and losses arising from the above are recognised in the income statement under the appropriate heading.

The trading results of the overseas operations are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas operations are translated at the exchange rates at the end of the reporting period. Foreign exchange gains and losses resulting from the translation of overseas subsidiaries are recognised as other comprehensive income. Foreign exchange gains and losses resulting from the translation of overseas undertakings, which are not subsidiaries, are recognised in the income statement.

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022**

4. ACCOUNTING POLICIES - continued

Leases

Leases are classified as hire purchase contracts or finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

Assets held under hire purchase contracts or finance leases are initially measured at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a hire purchase or finance lease obligation. Repayments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under hire purchase contracts or finance leases are included in tangible fixed assets and depreciate and assessed for impairment losses in the same way as owned assets.

Leases which do not transfer all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Employee benefits

The group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and a defined contribution pension plan.

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which service is received.

The group operates a defined contribution pension plan for its directors and employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown as accruals at the reporting period end date. The assets of the plan are held separately from the group in independently administered funds.

The group operates an annual bonus plan for certain employees. An expense is recognised in the income statement when the group has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

Borrowing costs

All borrowing costs are recognised in the income statement in the period in which they are incurred.

Government grants

Government grants are recognised on an accruals basis and are shown within other operating income. Any deferred element of grants received is separately disclosed within creditors.

Business combinations and goodwill

Acquisitions of subsidiaries are accounted for by applying the purchase method. The cost of the business combination is measured at the aggregate of the fair value (at the date of exchange) of assets given, liabilities incurred or assumed, plus costs directly attributable to the business combination.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration to the group's interest in the identifiable net assets acquired.

Goodwill is amortised over its expected useful life. Where the group is unable to make a reliable estimate of useful life, goodwill is amortised over a period of 5 years.

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022**

4. ACCOUNTING POLICIES - continued

Fixed asset investments

Investments in subsidiary undertakings are held at cost less accumulated impairment losses in the company accounts.

Investments in entities where the group has an interest but not control are shown as unlisted investments are held at cost less accumulated impairment losses.

Trade debtors and other receivables within one year

Trade debtors and other receivables with no stated interest rate are recorded at transaction price less any impairment.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Trade creditors and other payables

Trade creditors and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Impairment of assets

Assets not measured at fair value are reviewed for any indications that the asset may be impaired at the end of the financial year. If such indications exist the recoverable amount of the asset or the assets cash generating unit is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Any losses arising from impairment are recognised in the income statement under the appropriate heading.

Related parties

The company discloses transactions with related parties. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the financial statements.

Provisions for liabilities

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting period end date, taking into account the risks and uncertainties surrounding the obligation.

Financial instruments

The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade debtors, other receivables, cash and bank balances and investments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

Basic financial liabilities, including trade creditors, other payables, bank loans and other loans are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022

5. **TURNOVER**

The turnover and profit (2021 - loss) before taxation are attributable to the principal activities of the group.

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	5,067,991	4,416,385
Other EC countries	470,998	425,951
Rest of world	127,575	53,667
	<u>5,666,564</u>	<u>4,896,003</u>

6. **EMPLOYEES AND DIRECTORS**

	2022	2021
	£	£
Wages and salaries	2,431,808	2,876,251
Social security costs	242,826	277,369
Other pension costs	60,360	71,668
	<u>2,734,994</u>	<u>3,225,288</u>

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

	2022	2021
Production	38	67
Sales and distribution	10	22
Administration	<u>36</u>	<u>42</u>
	<u>84</u>	<u>131</u>

	2022	2021
	£	£
Directors' emoluments		
Directors' remuneration	150,428	150,263
Pension contributions	<u>5,563</u>	<u>5,394</u>
	<u>155,990</u>	<u>155,657</u>

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

	2022	2021
Money purchase schemes	<u>3</u>	<u>3</u>

The group operates a defined contribution pension scheme for the benefit of employees and directors. The assets of the scheme are administered by an independent pensions provider. Pension payments are recognised as an expense during the year and amount to £60,704 (2021: £71,668). At the reporting period end date, outstanding pension contributions amounted to £4,558 (2021: £2,139).

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022

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

The operating profit is stated after charging:

	2022	2021
	£	£
Hire of plant and machinery	69,102	87,413
Other operating leases	38,530	39,433
Depreciation of tangible fixed assets:		
- owned assets	189,940	183,904
- assets held under finance leases and hire purchase contracts	55,400	70,703
Amortisation of intangible fixed assets	98,969	89,956
Auditors' remuneration:		
- audit services	24,606	24,199
- other services	563	1,200
Foreign exchange differences	(27,578)	71,453
Government grants receivable	(163,663)	(948,644)
Research and development expenditure	<u>-</u>	<u>11,863</u>

8. **EXCEPTIONAL ITEMS**

	2022	2021
	£	£
Profit on disposal of fixed asset investments	-	689,704
Exceptional costs	<u>-</u>	<u>(585,109)</u>
	<u>-</u>	<u>104,595</u>

During the prior year the group disposed of their shares in unlisted investments. The tax effect of this disposal was £nil as it was covered by the Substantial Shareholding Exemption.

Exceptional costs in the prior period relates to non-recurring charges to the income statement during that year. These charges were mainly associated with the reorganisation of the group's operations in order to provide an improved structure to support future operations. The tax effect of the exceptional items was to reduce the tax charge for the year by £111,171.

In addition to the above exceptional items, which were shown separately in the consolidated income statement, administrative expenses in the prior year included £443,413 in respect of productive labour costs that would usually be shown in costs of sales. The costs transferred represented the cost of production employees for periods when they were furloughed.

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest	11,727	9,601
Bank loan interest	37,220	40,685
Other loan interest	2,738	766
CBILS loan interest	80,415	35,161
Interest on taxation	117	1,070
Asset finance loan interest	24,987	-
Interest element of hire purchase and finance lease rental payments paid	<u>7,183</u>	<u>11,842</u>
	<u>164,387</u>	<u>99,125</u>

The group received Business Interruption Payments of £82,898 on certain loans to offset interest charges included above. These Business Interruption Payments are shown as government grants received within other operating income.

10. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	-	(124,536)
Adjustment in respect of earlier reporting period	<u>-</u>	<u>2,538</u>
Total current tax	-	(121,998)
Deferred tax	<u>35,441</u>	<u>(115,890)</u>
Tax on profit/(loss)	<u>35,441</u>	<u>(237,888)</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022

10. TAXATION - continued

Reconciliation of total tax charge/(credit) included in profit and loss

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

	2022 £	2021 £
Profit/(loss) before tax	<u>69,243</u>	<u>(505,049)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %)	13,156	(95,959)
Effects of:		
Expenses not deductible for tax	17,516	13,440
Income not taxable	-	(131,044)
Tax effect of profits in overseas subsidiary undertakings	(845)	5,813
Tax losses not previously recognised in parent	-	(4,513)
Tax losses previously recognised in UK subsidiary undertaking	1,581	-
Enhanced deductions	(44,292)	(44,337)
Tax effect of differing rates	48,325	-
Tax effect of differing rates - conversion to Research and Development tax credit	-	16,174
Adjustment in respect of earlier reporting period	-	2,538
Total tax charge/(credit)	<u>35,441</u>	<u>(237,888)</u>

Tax effects relating to effects of other comprehensive income

	Gross £	2022 Tax £	Net £
Foreign exchange (losses)/gains arising on translation of overseas subsidiary undertakings	<u>3,303</u>	<u>-</u>	<u>3,303</u>
	<u>3,303</u>	<u>-</u>	<u>3,303</u>
		2021	
	Gross £	Tax £	Net £
Foreign exchange (losses)/gains arising on translation of overseas subsidiary undertakings	<u>(3,731)</u>	<u>-</u>	<u>(3,731)</u>
	<u>(3,731)</u>	<u>-</u>	<u>(3,731)</u>

UK corporation tax has been charged at 19%. The standard rate of corporation tax in the UK is due to increase to 25% with effect from 1 April 2023.

11. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022

12. **DIVIDENDS**

	2022 £	2021 £
Ordinary 'B1' shares of 50p each Interim	-	60,000
Ordinary 'B2' shares of 50p each Interim	-	189,204
Ordinary 'C2' shares of 50p each Interim	3,490	5,000
	<u>3,490</u>	<u>254,204</u>

13. **INTANGIBLE FIXED ASSETS**

Group

	Goodwill £	Territories £	Research and development £	Computer software and website costs £	Totals £
COST					
At 1 April 2021	2,032,680	4,899,278	440,457	108,759	7,481,174
Additions	-	24,325	127,682	41,248	193,255
Reclassification	-	-	(6,795)	6,795	-
Exchange differences	-	(4,465)	-	(14)	(4,479)
At 31 March 2022	<u>2,032,680</u>	<u>4,919,138</u>	<u>561,344</u>	<u>156,788</u>	<u>7,669,950</u>
AMORTISATION					
At 1 April 2021	1,625,399	4,899,278	69,764	67,513	6,661,954
Amortisation for year	32,112	1,418	49,823	15,616	98,969
Exchange differences	-	(4,465)	-	(21)	(4,486)
At 31 March 2022	<u>1,657,511</u>	<u>4,896,231</u>	<u>119,587</u>	<u>83,108</u>	<u>6,756,437</u>
NET BOOK VALUE					
At 31 March 2022	<u>375,169</u>	<u>22,907</u>	<u>441,757</u>	<u>73,680</u>	<u>913,513</u>
At 31 March 2021	<u>407,281</u>	<u>-</u>	<u>370,693</u>	<u>41,246</u>	<u>819,220</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022

13. INTANGIBLE FIXED ASSETS - continued

Company

	Goodwill £	Territories £	Research and development £	Computer software and website costs £	Totals £
COST					
At 1 April 2021	1,390,444	4,389,583	440,457	76,907	6,297,391
Additions	-	-	127,682	36,395	164,077
Reclassification	-	-	(6,795)	6,795	-
At 31 March 2022	<u>1,390,444</u>	<u>4,389,583</u>	<u>561,344</u>	<u>120,097</u>	<u>6,461,468</u>
AMORTISATION					
At 1 April 2021	1,390,444	4,389,583	69,764	49,571	5,899,362
Amortisation for year	-	-	49,823	10,839	60,662
At 31 March 2022	<u>1,390,444</u>	<u>4,389,583</u>	<u>119,587</u>	<u>60,410</u>	<u>5,960,024</u>
NET BOOK VALUE					
At 31 March 2022	<u>-</u>	<u>-</u>	<u>441,757</u>	<u>59,687</u>	<u>501,444</u>
At 31 March 2021	<u>-</u>	<u>-</u>	<u>370,693</u>	<u>27,336</u>	<u>398,029</u>

14. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 April 2021	4,000,000	2,864,098	1,355,457	16,479	8,236,034
Additions	-	15,705	14,919	-	30,624
Disposals	-	(52,842)	(101,511)	(1,000)	(155,353)
Revaluations	800,000	-	-	-	800,000
Exchange differences	-	-	(330)	-	(330)
At 31 March 2022	<u>4,800,000</u>	<u>2,826,961</u>	<u>1,268,535</u>	<u>15,479</u>	<u>8,910,975</u>
DEPRECIATION					
At 1 April 2021	-	2,059,073	1,215,110	15,751	3,289,934
Charge for year	75,000	133,585	36,026	728	245,339
Eliminated on disposal	-	(43,253)	(101,511)	(1,000)	(145,764)
Revaluation adjustments	(75,000)	-	-	-	(75,000)
Exchange differences	-	-	(330)	-	(330)
At 31 March 2022	<u>-</u>	<u>2,149,405</u>	<u>1,149,295</u>	<u>15,479</u>	<u>3,314,179</u>
NET BOOK VALUE					
At 31 March 2022	<u>4,800,000</u>	<u>677,556</u>	<u>119,240</u>	<u>-</u>	<u>5,596,796</u>
At 31 March 2021	<u>4,000,000</u>	<u>805,025</u>	<u>140,347</u>	<u>728</u>	<u>4,946,100</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022

14. **TANGIBLE FIXED ASSETS - continued**

Group

Included in the freehold property is land of £1,800,000 (2021: £1,000,000) which is not depreciated.

Cost or valuation at 31 March 2022 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2022	4,800,000	-	-	-	4,800,000
Cost	-	2,826,961	1,268,535	15,479	4,110,975
	<u>4,800,000</u>	<u>2,826,961</u>	<u>1,268,535</u>	<u>15,479</u>	<u>8,910,975</u>

Freehold land and buildings were valued on a full valuation basis on 14 September 2022 by Messrs Eddisons. The directors are satisfied that there was no material change in valuation between 31 March 2022 and 14 September 2022.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Fixtures and fittings £	Totals £
COST OR VALUATION			
At 1 April 2021	473,406	45,828	519,234
Transfer to ownership	(20,906)	-	(20,906)
At 31 March 2022	<u>452,500</u>	<u>45,828</u>	<u>498,328</u>
DEPRECIATION			
At 1 April 2021	145,953	14,321	160,274
Charge for year	46,998	8,402	55,400
Transfer to ownership	(10,955)	-	(10,955)
At 31 March 2022	<u>181,996</u>	<u>22,723</u>	<u>204,719</u>
NET BOOK VALUE			
At 31 March 2022	<u>270,504</u>	<u>23,105</u>	<u>293,609</u>
At 31 March 2021	<u>327,453</u>	<u>31,507</u>	<u>358,960</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022

14. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 April 2021	4,000,000	2,358,426	1,293,642	16,479	7,668,547
Additions	-	15,704	14,919	-	30,623
Disposals	-	(29,000)	(101,511)	(1,000)	(131,511)
Revaluations	800,000	-	-	-	800,000
At 31 March 2022	<u>4,800,000</u>	<u>2,345,130</u>	<u>1,207,050</u>	<u>15,479</u>	<u>8,367,659</u>
DEPRECIATION					
At 1 April 2021	-	1,708,131	1,153,589	15,751	2,877,471
Charge for year	75,000	89,658	35,899	728	201,285
Eliminated on disposal	-	(29,000)	(101,511)	(1,000)	(131,511)
Revaluation adjustments	(75,000)	-	-	-	(75,000)
At 31 March 2022	<u>-</u>	<u>1,768,789</u>	<u>1,087,977</u>	<u>15,479</u>	<u>2,872,245</u>
NET BOOK VALUE					
At 31 March 2022	<u>4,800,000</u>	<u>576,341</u>	<u>119,073</u>	<u>-</u>	<u>5,495,414</u>
At 31 March 2021	<u>4,000,000</u>	<u>650,295</u>	<u>140,053</u>	<u>728</u>	<u>4,791,076</u>

Cost or valuation at 31 March 2022 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2022	4,800,000	-	-	-	4,800,000
Cost	<u>-</u>	<u>2,345,130</u>	<u>1,207,050</u>	<u>15,479</u>	<u>3,567,659</u>
	<u>4,800,000</u>	<u>2,345,130</u>	<u>1,207,050</u>	<u>15,479</u>	<u>8,367,659</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022

14. TANGIBLE FIXED ASSETS - continued

Company

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Fixtures and fittings £	Totals £
COST OR VALUATION			
At 1 April 2021 and 31 March 2022	<u>452,500</u>	<u>45,828</u>	<u>498,328</u>
DEPRECIATION			
At 1 April 2021	136,745	14,321	151,066
Charge for year	<u>45,250</u>	<u>8,402</u>	<u>53,652</u>
At 31 March 2022	<u>181,995</u>	<u>22,723</u>	<u>204,718</u>
NET BOOK VALUE			
At 31 March 2022	<u>270,505</u>	<u>23,105</u>	<u>293,610</u>
At 31 March 2021	<u>315,755</u>	<u>31,507</u>	<u>347,262</u>

15. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 April 2021 and 31 March 2022	<u>128,743</u>
NET BOOK VALUE	
At 31 March 2022	<u>128,743</u>
At 31 March 2021	<u>128,743</u>

The parent company holds more than 20% of the equity share capital of the following:

Name of undertaking	Country of incorporation and operation	% of ordinary share capital	Activities during the period
SG World Limited	Republic of Ireland	100	Business systems
The Printing House Limited	England and Wales	100	Printing services
SG World SA	Belgium	100	Business systems
Vector Bomb Limited	England and Wales	100	Dormant

Entities in which the parent company holds less than 20% of the equity share capital are not disclosed above.

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022

16. STOCKS

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Raw materials	29,083	18,342	29,083	18,342
Work-in-progress	21,575	12,342	21,575	12,342
Finished goods	<u>208,535</u>	<u>205,795</u>	<u>152,192</u>	<u>157,179</u>
	<u>259,193</u>	<u>236,479</u>	<u>202,850</u>	<u>187,863</u>

There is no significant difference between the value of stock and the replacement value.

Stock recognised in cost of sales during the year as an expense was £1,393,919 (2021: £1,462,112).

An impairment loss of £21,597 (2021: £5,234 credit) against stock has been recognised in cost of sales during the year.

17. DEBTORS

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	748,025	579,383	581,470	456,500
Amounts owed by group undertakings	-	-	1,748,986	1,509,910
Other debtors	31,631	33,720	31,563	9,659
Amounts owed by related parties	1,438,863	1,282,489	1,438,863	1,282,489
Director's loan account	-	7,863	-	7,863
Tax	131,434	159,956	131,434	159,956
Prepayments and accrued income	<u>107,953</u>	<u>170,642</u>	<u>88,742</u>	<u>151,022</u>
	<u>2,457,906</u>	<u>2,234,053</u>	<u>4,021,058</u>	<u>3,577,399</u>
Amounts falling due after more than one year:				
Other debtors	1,755	1,769	-	-
Deferred tax asset	140,729	16,554	-	-
Tax	-	1,134	-	1,134
	<u>142,484</u>	<u>19,457</u>	<u>-</u>	<u>1,134</u>
Aggregate amounts	<u>2,600,390</u>	<u>2,253,510</u>	<u>4,021,058</u>	<u>3,578,533</u>

Amounts owed by group undertakings and related parties are unsecured, interest free and repayable on demand.

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts (see note 20)	698,233	807,060	623,889	763,543
Other loans (see note 20)	479,023	187,249	479,023	187,249
Hire purchase contracts (see note 21)	100,072	99,075	100,072	95,898
Trade creditors	707,511	579,845	512,448	427,447
Amounts owed to group undertakings	-	-	-	2,640
Social security and other taxes	245,768	99,190	246,102	96,665
VAT	357,352	536,047	376,424	506,226
Other creditors	74,935	45,172	50,099	43,424
Amounts owed to related parties	1,222	-	1,222	-
Accruals and deferred income	145,831	163,391	133,333	138,459
Deferred government grants	4,997	57,911	4,997	57,911
	<u>2,814,944</u>	<u>2,574,940</u>	<u>2,527,609</u>	<u>2,319,462</u>

Amounts owed to group undertakings and related parties are unsecured, interest free and repayable on demand.

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans (see note 20)	1,088,711	1,268,557	1,088,711	1,268,557
Other loans (see note 20)	1,237,716	932,702	1,237,716	932,702
Hire purchase contracts (see note 21)	8,499	108,571	8,499	108,571
	<u>2,334,926</u>	<u>2,309,830</u>	<u>2,334,926</u>	<u>2,309,830</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022

20. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	528,877	648,017	454,533	604,500
Bank loans	169,356	159,043	169,356	159,043
CBILS loans	211,869	167,298	211,869	167,298
Loans owed to related parties	224,128	19,951	224,128	19,951
Asset finance loan	43,026	-	43,026	-
	<u>1,177,256</u>	<u>994,309</u>	<u>1,102,912</u>	<u>950,792</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	174,663	169,356	174,663	169,356
CBILS loans	226,652	212,121	226,652	212,121
Loans owed to related parties	197,766	100,000	197,766	100,000
Asset finance loan	48,642	-	48,642	-
	<u>647,723</u>	<u>481,477</u>	<u>647,723</u>	<u>481,477</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	557,527	540,584	557,527	540,584
CBILS loans	400,763	620,581	400,763	620,581
Loans owed to related parties	235,766	-	235,766	-
Asset finance loan	128,127	-	128,127	-
	<u>1,322,183</u>	<u>1,161,165</u>	<u>1,322,183</u>	<u>1,161,165</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more than 5 years				
by instalments	<u>356,521</u>	<u>558,617</u>	<u>356,521</u>	<u>558,617</u>
	<u>356,521</u>	<u>558,617</u>	<u>356,521</u>	<u>558,617</u>

The bank loan, which is in part repayable in more than five years, is repayable by fixed monthly instalments. The interest rate on this loan is at base rate plus 2.59%.

Loans owed to related parties are unsecured, have interest charged at an annual rate of 3% and are repayable within five years.

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022

21. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	100,072	99,075
Between one and five years	8,499	108,571
	<u>108,571</u>	<u>207,646</u>

Company

	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	100,072	95,898
Between one and five years	8,499	108,571
	<u>108,571</u>	<u>204,469</u>

Group

	Non-cancellable operating leases	
	2022	2021
	£	£
Within one year	101,540	112,614
Between one and five years	118,725	217,866
	<u>220,265</u>	<u>330,480</u>

Company

	Non-cancellable operating leases	
	2022	2021
	£	£
Within one year	61,769	65,677
Between one and five years	96,389	158,301
	<u>158,158</u>	<u>223,978</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022

22. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank overdrafts	528,877	648,017	454,533	604,500
Bank loans	1,258,067	1,427,600	1,258,067	1,427,600
Hire purchase contracts	108,571	207,646	108,571	204,469
CBILS loans	591,931	750,000	591,931	750,000
Asset finance loan	219,795	-	219,795	-
	<u>2,707,241</u>	<u>3,033,263</u>	<u>2,632,897</u>	<u>2,986,569</u>

The invoice financing facility (included in bank overdrafts) is secured by a specific charge over the group's debtors. The property mortgage (included in bank loans) is secured by a specific charge over the group's freehold property. All bank loans and overdrafts are secured by a debenture over the groups assets.

CBILS loan of £750,000 is secured by a debenture over the group's assets. It is also personally guaranteed by a director up to £150,000 or 20% of its outstanding value, whichever is lower.

The hire purchase contracts, finance leases and asset finance loans are secured over the assets to which they relate.

23. FINANCIAL INSTRUMENTS

The carrying amounts of the group's financial instruments are as follows:

	2022	2021
	£	£
Financial assets measured at amortised cost:		
Cash at bank	248,084	51,027
Trade debtors	748,025	579,383
Other receivables	1,744,412	1,503,485
Financial liabilities measured at amortised cost:		
Bank loans and overdrafts	1,786,944	2,075,617
Hire purchase contracts and finance leases	108,571	207,646
Other loans	1,716,739	1,119,951
Trade creditors	707,511	579,845
Other payables	825,108	843,800

The carrying amounts of the company's financial instruments are as follows:

	2022	2021
	£	£
Financial assets measured at amortised cost:		
Cash at bank	222,722	23,023
Trade debtors	581,470	456,500
Other receivables	3,350,846	2,971,011
Financial liabilities measured at amortised cost:		
Bank loans and overdrafts	1,712,600	2,032,100
Hire purchase contracts and finance leases	108,571	204,469
Other loans	1,716,739	1,119,951
Trade creditors	512,448	427,447
Other payables	807,180	787,414

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022

24. PROVISIONS FOR LIABILITIES

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Deferred tax	<u>471,389</u>	<u>129,618</u>	<u>471,389</u>	<u>182,396</u>
Other provisions				
Leave pay provision	<u>73,711</u>	<u>95,404</u>	<u>60,911</u>	<u>70,731</u>
Aggregate amounts	<u>545,100</u>	<u>225,022</u>	<u>532,300</u>	<u>253,127</u>
Group				
			Deferred tax	Other provisions
			£	£
Balance at 1 April 2021			129,618	95,404
Charge/(credit) to income statement for year			35,441	(21,693)
Charge to revaluation reserve for year			182,155	-
Transfer to deferred tax asset			<u>124,175</u>	<u>-</u>
Balance at 31 March 2022			<u>471,389</u>	<u>73,711</u>
Company				
			Deferred tax	Other provisions
			£	£
Balance at 1 April 2021			182,396	70,731
Charge/(credit) to income statement for year			106,838	(9,820)
Charge to revaluation reserve for year			<u>182,155</u>	<u>-</u>
Balance at 31 March 2022			<u>471,389</u>	<u>60,911</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022

24. PROVISIONS FOR LIABILITIES - continued

The deferred tax provision of the group consists of the tax effect of the following:

	2022	2021
	£	£
Accelerated capital allowances	215,742	170,423
Deferred tax liability on land and property revaluation	182,155	69,141
Accelerated relief on research and development	116,664	69,141
Other short term timing differences	(1,140)	(319)
Deferred tax asset recognised on UK losses	(42,032)	(56,849)
Deferred tax asset recognised on overseas losses	-	(52,778)
	<u>471,389</u>	<u>129,618</u>

The deferred tax provision of the company consists of the tax effect of the following:

	2022	2021
	£	£
Accelerated capital allowances	215,742	170,423
Deferred tax liability on land and property revaluation	182,155	-
Accelerated relief on research and development	116,664	69,141
Other short term timing differences	(1,140)	(319)
Deferred tax asset recognised on UK losses	(42,032)	(56,849)
	<u>471,389</u>	<u>182,396</u>

25. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
119,792	Ordinary 'A'	50p	59,896	59,896
59,896	Ordinary 'B1'	50p	29,948	29,948
59,896	Ordinary 'B2'	50p	29,948	29,948
2,080	Ordinary 'C1'	50p	1,040	1,040
630	Ordinary 'C2'	50p	315	315
			<u>121,147</u>	<u>121,147</u>

The ordinary 'A' shares have full equity and voting rights but are not entitled to receive dividends.

The ordinary 'B1' and 'B2' shares have dividend rights but are not entitled to vote or an equity return in excess of their nominal value.

The ordinary 'C1' and 'C2' shares have full equity, voting and dividend rights.

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022

26. RESERVES

Group

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 April 2021	1,791,516	3,150	1,089,064	191,668	3,075,398
Profit for the year	33,802				33,802
Dividends	(3,490)				(3,490)
Foreign exchange gain arising on translation of overseas subsidiary undertakings	3,303	-	-	-	3,303
Revaluation in year	-	-	692,846	-	692,846
Transfer	12,856	-	(12,856)	-	-
At 31 March 2022	<u>1,837,987</u>	<u>3,150</u>	<u>1,769,054</u>	<u>191,668</u>	<u>3,801,859</u>

Company

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 April 2021	2,819,819	3,150	1,089,064	191,668	4,103,701
Profit for the year	263,192				263,192
Dividends	(3,490)				(3,490)
Revaluation in year	-	-	692,846	-	692,846
Transfer	12,856	-	(12,856)	-	-
At 31 March 2022	<u>3,092,377</u>	<u>3,150</u>	<u>1,769,054</u>	<u>191,668</u>	<u>5,056,249</u>

Retained earnings represent cumulative profits and losses net of dividends and other adjustments.

Share premium comprises the amount received for allotment of shares in excess of their nominal value.

Revaluation reserve represents the cumulative surplus on the revaluation of assets.

Capital redemption reserve comprises the nominal value of shares repurchased by the group.

Dividends and other distributions to the group's shareholders are recognised as liabilities in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statements of changes in equity.

27. CONTINGENT LIABILITIES

The bank have issued a bond to the value of £30,000 (2021: £30,000), which the group has agreed to indemnify.

Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 202228. **DIRECTORS INTEREST IN CONTRACTS**

The following advances and credits to directors subsisted during the years ended 31 March 2022 and 31 March 2021:

	2022 £	2021 £
M P Haase		
Balance outstanding at start of year	4,373	19,113
Amounts advanced	6,662	16,606
Amounts repaid	(11,035)	(31,346)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>4,373</u>
D H Kinsman		
Balance outstanding at start of year	3,490	8,614
Amounts repaid	(3,490)	(5,124)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>3,490</u>

Interest totalling £nil (2021: £292) was charged in respect of the director's loan balances during the year.

29. **RELATED PARTY DISCLOSURES**

Transactions with related parties during the year and balances outstanding at the end of the reporting period were as follows:

Entities under common control

	2022 £	2021 £
Sales to entities	321,421	72,709
Purchases from entities	105	1,338
Management charges receivable from entities	179,265	183,021
Other interest paid to entities	2,738	765
Amounts owed by entities	1,438,863	1,282,489
Amounts owed to entities	<u>658,882</u>	<u>120,176</u>

Entities in which the parent company has an interest but no control

	2022 £	2021 £
Commission receivable from entities	<u>-</u>	<u>17,596</u>

Entities in which a director has an interest

During the year total dividends of £3,490 were paid to the directors.

30. **SUBSEQUENT EVENTS**

Please refer to Group Strategic Report for details on Subsequent Events.

31. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is M P Haase.

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 March 2022**

32. FINANCIAL RISK MANAGEMENT

The group has exposures to four main areas of financial risk - foreign exchange currency exposure, liquidity risk, customer and other receivables credit exposure and interest rate risk.

Foreign exchange transactional currency exposure

The group is exposed to currency exchange risk due to sales in overseas territories either directly or through overseas operations. The net exposure of each currency is monitored and managed by the use of foreign currency bank accounts.

Liquidity risk

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group plans and expects to meet its financial obligations through operating cash flows.

Customer and other receivables credit exposure

The group may offer credit terms to its customers which allow payment of the debt after delivery of the goods. The group is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships and by effective credit control procedures.

Interest rate risk

The group borrows using either overdrafts, invoice discounting facilities or loans whose tenure and terms depend on the type of borrowing. Management arrange borrowings that are appropriate to the company's financial position and when doing so take into consideration interest rate risk.

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