REGISTERED NUMBER: 03451910 (England and Wales)

Group Strategic Report,

Report of the Directors and

Consolidated Financial Statements

for the Year Ended 31 March 2023

for

SG World Limited

Contents of the Consolidated Financial Statements for the year ended 31 March 2023

SG World Limited

Company Information
for the year ended 31 March 2023

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 2023

The directors present their strategic report of the company and the group for the year ended 31 March 2023.

BUSINESS REVIEW
Overall, the general economic environment has slowed on its return from the pre-pandemic lows, with uncertainty in the market still evident throughout the financial year.

SG World's consolidated results for the financial year show an increase in revenue of £0.19m in comparison to prior year, enabled by continuing focus on key sales areas, with the main growth areas of Health & Safety paper based systems, and further advancements with our in-house developed software platform. Although many traditional products have started to revert to pre-Covid levels, Covid will permanently affect Visitor Management, as hybrid working and less visitor traffic to traditional sites has changed the market for these, but we began to offset this with signage and large format products, which are a developing capability in our manufacturing. As government support was withdrawn and we brought people back into the workplace, no furlough monies were incoming.

Costs came under pressure despite close management, due to several factors; increased energy costs were felt throughout the year following the Ukraine war outbreak in February 2022, these also impacted supply chain costs particularly raw materials such as paper and inks, technology for resale, and freight. Although wage inflation was kept under national averages, increased headcount to scale back up following the pandemic also contributed to the increase in costs. Exchange rates on dollar and euro also moved slightly against us in the year.

Despite these various challenges, the outlook remains positive with clear plans for growth in the main areas of our capability and a continued focus on cost management and people development.

KEY PERFORMANCE INDICATORS
The principal key performance indicators are:

	2023	2022
Revenue	£5.86m	£5.67m
Gross profit %	49.62%	50.13%
EBITDA (excluding government grants and exceptional items)	£451k	£424k
Shareholders' funds	£3.63m	£3.92m
External borrowings	£4.07m	£2.95m

PRINCIPAL RISKS AND UNCERTAINTIES
The main risks in the coming year are the continuing war in Ukraine which affects both energy costs and the rest of the supply chain including freight and raw materials. As stated above, with the strain on the more traditional areas of manufactured products, increased focus on software and inspection systems should see this challenge being offset. Excellent credit management, cost controls together with further automation in Customer Relationship Management (CRM) systems and the continued pivoting of the product range in large format will see a continued growth trajectory.

SUBSEQUENT EVENTS
Following the review of the financial arrangements which resulted in the re-mortgage and consolidating lending at an improved 5 year fixed rate, there are further opportunities to review the corporate structure and address further fixed costs and streamline operations, without constraining the growth areas of the Group and providing a platform for increased gross profit over the coming years. For this reason the holding company has released The Printing House Limited from £1.2m of intercompany indebtedness. This transaction has no effect on the consolidated accounts of the group. In the consolidated accounts an impairment of £162,047 has been recognised to write off the remaining goodwill relating to The Printing House Limited.

ON BEHALF OF THE BOARD:

....
M P Haase - Director

Date: 20/December/2023

Report of the Directors
for the year ended 31 March 2023

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2023.

DIVIDENDS
The total amount of dividends paid in the year was £nil.

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 2022 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

Date: 20 DECEMBER 2023

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 2023 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 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

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

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.

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.

SP Banks

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

Date: 20th December 2023

Consolidated Income Statement for the year ended 31 March 2023

	Notes	2023 £	2022 £
TURNOVER	5	5,856,029	5,666,564
Cost of sales		(2,950,201)	(2,825,893)
GROSS PROFIT		2,905,828	2,840,671
Distribution costs		(835,325)	(758,297)
Administrative expenses		(2,215,597)	(2,226,540)
		(145,094)	(144,166)
Other operating income		182,178	377,723
OPERATING PROFIT	7	37,084	233,557
Impairment of goodwill arising on consolidation	8	(162,047)	-
		(124,963)	233,557
Interest receivable and similar income		1,236	73
		(123,727)	233,630
Interest payable and similar expenses	9	(196,297)	(164,387)
(LOSS)/PROFIT BEFORE TAXATION		(320,024)	69,243
Tax on (loss)/profit	10	42,861	(35,441)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(277,163)	33,802
(Loss)/profit attributable to:			
Owners of the parent		(277,163)	33,802

The notes form part of these financial statements

Consolidated
Other Comprehensive Income
for the year ended 31 March 2023

	Notes	2023 £	2022 £
(LOSS)/PROFIT FOR THE YEAR		(277,163)	33,802
OTHER COMPREHENSIVE (LOSS)/INCOME			
Foreign exchange (losses)/gains arising on translation of overseas subsidiary undertakings		(17,124)	3,303
Income tax relating to other comprehensive (loss)/income		-	-
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF INCOME TAX		(17,124)	3,303
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		(294,287)	37,105
Total comprehensive (loss)/income attributable to:			
Owners of the parent		(294,287)	37,105

The notes form part of these financial statements

Consolidated Statement of Financial Position
31 March 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Intangible assets	13	782,084	913,513
Tangible assets	14	5,402,725	5,596,796
Investments	15	-	-
		6,184,809	6,510,309
CURRENT ASSETS			
Stocks	16	278,272	259,193
Debtors: amounts falling due within one year	17	2,661,168	2,457,906
Debtors: amounts falling due after more than one year	17	255,051	142,484
Cash at bank and in hand		332,545	248,084
		3,527,036	3,107,667
CREDITORS			
Amounts falling due within one year	18	(1,969,105)	(2,814,944)
NET CURRENT ASSETS		1,557,931	292,723
TOTAL ASSETS LESS CURRENT LIABILITIES		7,742,740	6,803,032
CREDITORS			
Amounts falling due after more than one year	19	(3,598,240)	(2,334,926)
PROVISIONS FOR LIABILITIES	24	(515,781)	(545,100)
NET ASSETS		3,628,719	3,923,006
CAPITAL AND RESERVES			
Called up share capital	25	121,147	121,147
Share premium	26	3,150	3,150
Revaluation reserve	26	1,759,412	1,769,054
Capital redemption reserve	26	191,668	191,668
Retained earnings	26	1,553,342	1,837,987
SHAREHOLDERS' FUNDS		3,628,719	3,923,006

The financial statements were approved by the Board of Directors and authorised for issue on 20 December 2023 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 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Intangible assets	13	578,254	501,444
Tangible assets	14	5,327,459	5,495,414
Investments	15	128,743	128,743
		6,034,456	6,125,601
CURRENT ASSETS			
Stocks	16	228,171	202,850
Debtors: amounts falling due within one year	17	3,455,653	4,021,058
Debtors: amounts falling due after more than one year	17	64,440	-
Cash at bank and in hand		362,641	222,722
		4,110,905	4,446,630
CREDITORS			
Amounts falling due within one year	18	(1,796,322)	(2,527,609)
NET CURRENT ASSETS		2,314,583	1,919,021
TOTAL ASSETS LESS CURRENT LIABILITIES		8,349,039	8,044,622
CREDITORS			
Amounts falling due after more than one year	19	(3,598,240)	(2,334,926)
PROVISIONS FOR LIABILITIES	24	(494,284)	(532,300)
NET ASSETS		4,256,515	5,177,396
CAPITAL AND RESERVES			
Called up share capital	25	121,147	121,147
Share premium	26	3,150	3,150
Revaluation reserve	26	1,759,412	1,769,054
Capital redemption reserve	26	191,668	191,668
Retained earnings	26	2,181,138	3,092,377
SHAREHOLDERS' FUNDS		4,256,515	5,177,396
Company's (loss)/profit for the financial year		(920,881)	263,192

The company's loss for the year of £920,881 is after writing off £1,200,000 of an intercompany loan due from a subsidiary undertaking.

The financial statements were approved by the Board of Directors and authorised for issue on 20 DECEMBER 2023 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 2023

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 April 2021	121,147	1,791,516	3,150
Changes in equity			
Dividends	-	(3,490)	-
Total comprehensive income	-	37,105	-
Transfer	-	12,856	-
Balance at 31 March 2022	121,147	1,837,987	3,150
Changes in equity			
Total comprehensive loss	-	(294,287)	-
Transfer	-	9,642	-
Balance at 31 March 2023	121,147	1,553,342	3,150

	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 April 2021	1,089,064	191,668	3,196,545
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	1,769,054	191,668	3,923,006
Changes in equity			
Total comprehensive loss	-	-	(294,287)
Transfer	(9,642)	-	-
Balance at 31 March 2023	1,759,412	191,668	3,628,719

The notes form part of these financial statements

Company Statement of Changes in Equity
for the year ended 31 March 2023

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 April 2021	121,147	2,819,819	3,150
Changes in equity			
Dividends	-	(3,490)	-
Total comprehensive income	-	263,192	-
Transfer	-	12,856	-
Balance at 31 March 2022	121,147	3,092,377	3,150
Changes in equity			
Total comprehensive income	-	(920,881)	-
Transfer	-	9,642	-
Balance at 31 March 2023	121,147	2,181,138	3,150

	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 April 2021	1,089,064	191,668	4,224,848
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	1,769,054	191,668	5,177,396
Changes in equity			
Total comprehensive income	-	-	(920,881)
Transfer	(9,642)	-	-
Balance at 31 March 2023	1,759,412	191,668	4,256,515

The notes form part of these financial statements

Consolidated Statement of Cash Flows
for the year ended 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	(416,133)	232,703
Interest paid		(188,408)	(74,306)
Interest element of hire purchase payments paid		(2,892)	(7,183)
Tax refund		129,572	29,866
Net cash from operating activities		(477,861)	181,080
Cash flows from investing activities			
Purchase of tangible fixed assets		(29,716)	(30,624)
Sale of tangible fixed assets		-	239
Purchase of intangible fixed assets		(23,114)	(11,499)
Own work capitalised		(142,239)	(157,431)
Interest received		1,236	(138)
Net cash from investing activities		(193,833)	(199,453)
Cash flows from financing activities			
New loans taken out in year		3,213,000	940,000
Loan repayments in year		(2,323,955)	(510,728)
Capital repayments in year		(100,072)	(99,075)
Amount introduced by directors		3,032	14,525
Amount withdrawn by directors		(3,032)	(6,662)
Equity dividends paid		-	(3,490)
Net cash from financing activities		788,973	334,570
Increase in cash and cash equivalents		117,279	316,197
Cash and cash equivalents at beginning of year	2	(280,793)	(596,990)
Cash and cash equivalents at end of year	2	(163,514)	(280,793)

The notes form part of these financial statements

Notes to the Consolidated Statement of Cash Flows for the year ended 31 March 2023

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

	2023	2022
	£	£
(Loss)/profit before taxation	(320,024)	69,243
Depreciation charges	330,383	344,309
Loss on disposal of fixed assets	-	9,350
Impairment of intangible fixed assets	166,815	-
Effect of exchange differences	(18,076)	3,296
Decrease in provisions	(36,699)	(21,693)
Government grants	(4,997)	(82,898)
Finance costs	196,297	164,387
Finance income	(1,236)	(73)
	312,463	485,921
Increase in stocks	(19,079)	(22,714)
Increase in trade and other debtors	(395,160)	(261,018)
(Decrease)/increase in trade and other creditors	(314,357)	30,514
Cash generated from operations	(416,133)	232,703

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 2023

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	332,545	248,084
Bank overdrafts	(496,059)	(528,877)
	(163,514)	(280,793)

Year ended 31 March 2022

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

Notes to the Consolidated Statement of Cash Flows
for the year ended 31 March 2023

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
Net cash			
Cash at bank and in hand	248,084	84,461	332,545
Bank overdrafts	(528,877)	32,818	(496,059)
	(280,793)	117,279	(163,514)
Debt			
Finance leases	(108,571)	100,072	(8,499)
Debts falling due within 1 year	(648,379)	382,768	(265,611)
Debts falling due after 1 year	(2,326,427)	(1,271,813)	(3,598,240)
	(3,083,377)	(788,973)	(3,872,350)
Total	(3,364,170)	(671,694)	(4,035,864)

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.

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.

continued...

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.

continued...

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.

The amortisation charged on research and development has been amended to reflect revised useful lives. The amortisation charge for the year ended 31 March 2023 would have been £10,299 higher if these changes had not been made.

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.

continued...

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 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.

continued...

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.

continued...

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.

continued...

5. TURNOVER

The turnover and loss (2022 - profit) before taxation are attributable to the principal activities of the group.

An analysis of turnover by geographical market is given below:

	2023	2022
	£	£
United Kingdom	5,287,388	5,067,991
Other EC countries	430,794	470,998
Rest of world	137,847	127,575
	5,856,029	5,666,564

6. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	2,468,358	2,431,808
Social security costs	257,489	242,826
Other pension costs	57,570	60,360
	2,783,417	2,734,994

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

	2023	2022
Production	38	38
Sales and distribution	11	10
Administration	33	36
	82	84

Directors' emoluments	2023	2022
	£	£
Directors' remuneration	151,543	150,428
Pension contributions	5,563	5,563
	157,106	155,991

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

Money purchase schemes	3	3

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 £57,570 (2022: £60,360). At the reporting period end date, outstanding pension contributions amounted to £4,092 (2022: £4,558).

continued...

7. OPERATING PROFIT

The operating profit is stated after charging:

	2023	2022
	£	£
Hire of plant and machinery	63,347	69,102
Other operating leases	36,402	38,530
Depreciation of tangible fixed assets:		
- owned assets	168,436	189,940
- assets held under finance leases and hire purchase contracts	55,349	55,400
Amortisation of intangible fixed assets	106,598	98,969
Impairment losses for intangible fixed assets	12,535	-
Loss on disposal of tangible fixed assets	-	9,350
Auditors' remuneration:		
- audit services	25,200	24,606
- other services	2,225	563
Foreign exchange differences	(83,028)	(27,578)
Government grants receivable	(6,017)	(163,663)

8. EXCEPTIONAL ITEMS

	2023	2022
	£	£
Exceptional items	(77,137)	-
Impairment of goodwill arising on consolidation	(162,047)	-
	(239,184)	-

Exceptional items are included in administrative expenses and relate to restructuring costs and other non-recurring items. The tax effect of the exceptional items was to reduce the tax charge for the year by £13,376.

The impairment of goodwill arising on consolidation is shown separately on the consolidated income statement and has no tax effect.

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Bank interest	25,872	11,727
Bank loan interest	100,104	37,220
Other loan interest	1,608	2,738
CBILS loan interest	41,608	80,415
Interest on taxation	-	117
Asset finance loan interest	24,213	24,987
Interest element of hire purchase and finance lease rental payments paid	2,892	7,183
	196,297	164,387

The group received Business Interruption Payments of £4,997 (2022: £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.

continued...

10. TAXATION

Analysis of the tax (credit)/charge

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

	2023	2022
	£	£
Current tax:		
UK corporation tax	(2,189)	-
Deferred tax	(40,672)	35,441
Tax on (loss)/profit	(42,861)	35,441

Reconciliation of total tax (credit)/charge 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:

	2023	2022
	£	£
(Loss)/profit before tax	(320,024)	69,243
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	(60,805)	13,156
Effects of:		
Expenses not deductible for tax	47,623	17,516
Profits in overseas subsidiary undertakings	(2,157)	(845)
Tax losses previously recognised in UK subsidiary undertaking	-	1,581
Tax losses previously recognised in overseas subsidiary undertaking	31,528	-
Losses in overseas subsidiary undertakings	20,006	-
Enhanced deductions	(47,652)	(44,292)
Differing rates	(12,654)	48,325
Reduction in deferred tax liability on land and property revaluation	(18,750)	-
Total tax (credit)/charge	(42,861)	35,441

Tax effects relating to effects of other comprehensive income

	2023		
	Gross	Tax	Net
	£	£	£
Foreign exchange (losses)/gains arising on translation of overseas subsidiary undertakings	(17,124)	-	(17,124)
	(17,124)	-	(17,124)

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

continued...

10. TAXATION - continued

UK corporation tax has been charged at 19%. The standard rate of corporation tax in the UK has increased 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.

The company's loss for the year of £920,881 is after writing off £1,200,000 of an intercompany loan due from a subsidiary undertaking.

12. DIVIDENDS

	2023 £	2022 £
Ordinary 'C2' shares of 50p each		
Interim	-	3,490

13. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Territories £	Research and development £	Computer software and website costs £	Totals £
COST					
At 1 April 2022	2,032,680	4,919,138	561,344	156,788	7,669,950
Additions	-	-	139,188	9,608	148,796
Impairments	-	(7,767)	(4,768)	-	(12,535)
Exchange differences	-	22,241	-	67	22,308
At 31 March 2023	2,032,680	4,933,612	695,764	166,463	7,828,519
AMORTISATION					
At 1 April 2022	1,657,511	4,896,231	119,587	83,108	6,756,437
Amortisation for year	32,112	1,275	46,172	27,039	106,598
Impairments	162,047	-	-	-	162,047
Exchange differences	-	21,309	-	44	21,353
At 31 March 2023	1,851,670	4,918,815	165,759	110,191	7,046,435
NET BOOK VALUE					
At 31 March 2023	181,010	14,797	530,005	56,272	782,084
At 31 March 2022	375,169	22,907	441,757	73,680	913,513

continued...

13. INTANGIBLE FIXED ASSETS - continued

Company

	Goodwill £	Territories £	Research and development £	Computer software and website costs £	Totals £
COST					
At 1 April 2022	1,390,444	4,389,583	561,344	120,097	6,461,468
Additions	-	-	139,188	9,608	148,796
Impairments	-	-	(4,768)	-	(4,768)
At 31 March 2023	1,390,444	4,389,583	695,764	129,705	6,605,496
AMORTISATION					
At 1 April 2022	1,390,444	4,389,583	119,587	60,410	5,960,024
Amortisation for year	-	-	46,172	21,046	67,218
At 31 March 2023	1,390,444	4,389,583	165,759	81,456	6,027,242
NET BOOK VALUE					
At 31 March 2023	-	-	530,005	48,249	578,254
At 31 March 2022	-	-	441,757	59,687	501,444

14. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 April 2022	4,800,000	2,826,961	1,268,535	15,479	8,910,975
Additions	-	-	29,716	-	29,716
Disposals	-	-	(2,376)	-	(2,376)
Exchange differences	-	-	1,567	-	1,567
At 31 March 2023	4,800,000	2,826,961	1,297,442	15,479	8,939,882
DEPRECIATION					
At 1 April 2022	-	2,149,404	1,149,295	15,479	3,314,178
Charge for year	75,001	116,717	32,066	-	223,784
Eliminated on disposal	-	-	(2,376)	-	(2,376)
Exchange differences	-	-	1,571	-	1,571
At 31 March 2023	75,001	2,266,121	1,180,556	15,479	3,537,157
NET BOOK VALUE					
At 31 March 2023	4,724,999	560,840	116,886	-	5,402,725
At 31 March 2022	4,800,000	677,557	119,240	-	5,596,797

Included in the freehold property is land of £1,800,000 (2022: £1,800,000) which is not depreciated.

continued...

14. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 31 March 2023 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2023	4,800,000	-	-	-	4,800,000
Cost	-	2,826,961	1,297,442	15,479	4,139,882
	4,800,000	2,826,961	1,297,442	15,479	8,939,882

Freehold land and buildings were valued on a full valuation basis on 14 September 2022 by Messrs Eddisions. The directors are satisfied that there was no material change in valuation between 31 March 2023 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 2022	452,500	45,828	498,328
Transfer to ownership	(452,500)	-	(452,500)
At 31 March 2023	-	45,828	45,828
DEPRECIATION			
At 1 April 2022	181,995	22,723	204,718
Charge for year	45,250	10,099	55,349
Transfer to ownership	(227,245)	-	(227,245)
At 31 March 2023	-	32,822	32,822
NET BOOK VALUE			
At 31 March 2023	-	13,006	13,006
At 31 March 2022	270,505	23,105	293,610

continued...

14. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 April 2022	4,800,000	2,345,130	1,207,050	15,479	8,367,659
Additions	-	-	28,896	-	28,896
At 31 March 2023	4,800,000	2,345,130	1,235,946	15,479	8,396,555
DEPRECIATION					
At 1 April 2022	-	1,768,789	1,087,977	15,479	2,872,245
Charge for year	75,001	90,008	31,842	-	196,851
At 31 March 2023	75,001	1,858,797	1,119,819	15,479	3,069,096
NET BOOK VALUE					
At 31 March 2023	4,724,999	486,333	116,127	-	5,327,459
At 31 March 2022	4,800,000	576,341	119,073	-	5,495,414

Cost or valuation at 31 March 2023 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2023	4,800,000	-	-	-	4,800,000
Cost	-	2,345,130	1,235,946	15,479	3,596,555
	4,800,000	2,345,130	1,235,946	15,479	8,396,555

continued...

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 2022	452,500	45,828	498,328
Transfer to ownership	(452,500)	-	(452,500)
At 31 March 2023	-	45,828	45,828
DEPRECIATION			
At 1 April 2022	181,995	22,723	204,718
Charge for year	45,250	10,099	55,349
Transfer to ownership	(227,245)	-	(227,245)
At 31 March 2023	-	32,822	32,822
NET BOOK VALUE			
At 31 March 2023	-	13,006	13,006
At 31 March 2022	270,505	23,105	293,610

15. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 April 2022 and 31 March 2023	128,743
NET BOOK VALUE	
At 31 March 2023	128,743
At 31 March 2022	128,743

continued...

15. FIXED ASSET INVESTMENTS - continued

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.

16. STOCKS

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Raw materials	26,354	29,083	26,354	29,083
Work-in-progress	23,552	21,575	23,552	21,575
Finished goods	228,366	208,535	178,265	152,192
	278,272	259,193	228,171	202,850

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 £1,536,932 (2022: £1,389,885).

17. DEBTORS

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	904,306	748,025	761,159	581,470
Amounts owed by group undertakings	-	-	955,302	1,748,986
Other debtors	8,176	31,631	1,211	31,563
Amounts owed by related parties	1,643,886	1,438,863	1,643,886	1,438,863
Tax	4,051	131,434	4,051	131,434
Prepayments and accrued income	100,749	107,953	90,044	88,742
	2,661,168	2,457,906	3,455,653	4,021,058

17. DEBTORS - continued

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Amounts falling due after more than one year:				
Other debtors	1,830	1,755	-	-
Deferred tax asset	188,781	140,729	-	-
Prepayments and accrued income	64,440	-	64,440	-
	255,051	142,484	64,440	-
Aggregate amounts	2,916,219	2,600,390	3,520,093	4,021,058

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

Amounts owed by group undertakings falling due within one year has reduced in the year following the company's release of £1,200,000 of indebtedness due from a subsidiary.

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans and overdrafts (see note 20)	551,851	698,233	519,228	623,889
Other loans (see note 20)	209,819	479,023	209,819	479,023
Hire purchase contracts (see note 21)	8,499	100,072	8,499	100,072
Trade creditors	697,926	707,511	547,425	512,448
Social security and other taxes	59,547	245,768	50,800	246,102
VAT	134,676	357,352	175,160	376,424
Other creditors	55,974	74,935	55,411	50,099
Amounts owed to related parties	-	1,222	-	1,222
Accruals and deferred income	250,813	145,831	229,980	133,333
Deferred government grants	-	4,997	-	4,997
	1,969,105	2,814,944	1,796,322	2,527,609

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	
	2023	2022	2023	2022
	£	£	£	£
Bank loans (see note 20)	3,139,197	1,088,711	3,139,197	1,088,711
Other loans (see note 20)	459,043	1,237,716	459,043	1,237,716
Hire purchase contracts (see note 21)	-	8,499	-	8,499
	3,598,240	2,334,926	3,598,240	2,334,926

continued...

20. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	496,059	528,877	463,436	454,533
Bank loans	55,792	169,356	55,792	169,356
CBILS loans	61,177	211,869	61,177	211,869
Loans owed to related parties	100,000	224,128	100,000	224,128
Asset finance loan	48,642	43,026	48,642	43,026
	761,670	1,177,256	729,047	1,102,912
Amounts falling due between one and two years:				
Bank loans - 1-2 years	59,916	174,663	59,916	174,663
CBILS loans	65,482	226,652	65,482	226,652
Loans owed to related parties	100,000	197,766	100,000	197,766
Asset finance loan	54,649	48,642	54,649	48,642
	280,047	647,723	280,047	647,723
Amounts falling due between two and five years:				
Bank loans - 2-5 years	203,340	557,527	203,340	557,527
CBILS loans	65,433	400,763	65,433	400,763
Loans owed to related parties	100,000	235,766	100,000	235,766
Asset finance loan	73,479	128,127	73,479	128,127
	442,252	1,322,183	442,252	1,322,183
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more than 5 years by instalments	2,875,941	356,521	2,875,941	356,521
	2,875,941	356,521	2,875,941	356,521

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 fixed until November 2027 at 6.24%.

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

continued...

21. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2023	2022
	£	£
Net obligations repayable:		
Within one year	8,499	100,072
Between one and five years	-	8,499
	8,499	108,571

Company

	Hire purchase contracts	
	2023	2022
	£	£
Net obligations repayable:		
Within one year	8,499	100,072
Between one and five years	-	8,499
	8,499	108,571

Group

	Non-cancellable operating leases	
	2023	2022
	£	£
Within one year	67,273	101,540
Between one and five years	53,999	118,725
	121,272	220,265

Company

	Non-cancellable operating leases	
	2023	2022
	£	£
Within one year	54,175	61,769
Between one and five years	40,858	96,389
	95,033	158,158

continued...

22. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank overdrafts	496,059	528,877	463,436	454,533
Bank loans	3,194,989	1,258,067	3,194,989	1,258,067
Hire purchase contracts	8,499	108,571	8,499	108,571
CBILS loans	-	591,931	-	591,931
Asset finance loan	176,770	219,795	176,770	219,795
	3,876,317	2,707,241	3,843,694	2,632,897

The invoice financing facility (included in bank overdrafts) is secured by a specific charge over the group's debtors and a debenture.

The bank loan is secured by a fixed charge over the company's freehold property and a debenture. The bank loan is also personally guaranteed by a director for £250,000.

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:

	2023	2022
	£	£
Financial assets measured at amortised cost:		
Cash at bank	332,545	248,084
Trade debtors	904,306	748,025
Other receivables	2,011,913	1,744,412
Financial liabilities measured at amortised cost:		
Bank loans and overdrafts	3,691,048	1,786,944
Hire purchase contracts and finance leases	8,499	108,571
Other loans	668,862	1,716,739
Trade creditors	697,926	707,511
Other payables	501,010	825,108

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

	2023	2022
	£	£
Financial assets measured at amortised cost:		
Cash at bank	362,641	222,722
Trade debtors	761,159	581,470
Other receivables	2,758,934	3,350,846
Financial liabilities measured at amortised cost:		
Bank loans and overdrafts	3,658,425	1,712,600
Hire purchase contracts and finance leases	8,499	108,571
Other loans	668,862	1,716,739
Trade creditors	547,425	512,448
Other payables	511,351	807,180

continued...

24. PROVISIONS FOR LIABILITIES

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Deferred tax	478,769	471,389	478,769	471,389
Other provisions				
Leave pay provision	37,012	73,711	15,515	60,911
Aggregate amounts	515,781	545,100	494,284	532,300

Group

	Deferred tax	Other provisions
	£	£
Balance at 1 April 2022	471,389	73,711
Charge/(credit) to income statement for year	(40,672)	(36,699)
Movement on deferred tax asset	48,052	-
Balance at 31 March 2023	478,769	37,012

Company

	Deferred tax	Other provisions
	£	£
Balance at 1 April 2022	471,389	60,911
Charge/(credit) to income statement for year	7,380	(45,396)
Balance at 31 March 2023	478,769	15,515

continued...

24. PROVISIONS FOR LIABILITIES - continued

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

	2023	2022
	£	£
Accelerated capital allowances	204,605	215,742
Deferred tax liability on land and property revaluation	163,405	182,155
Accelerated relief on research and development	137,932	116,664
Other short term timing differences	(1,020)	(1,140)
Deferred tax asset recognised on UK losses	(26,153)	(42,032)
	478,769	471,389

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

	2023	2022
	£	£
Accelerated capital allowances	204,605	215,742
Deferred tax liability on land and property revaluation	163,405	182,155
Accelerated relief on research and development	137,932	116,664
Other short term timing differences	(1,020)	(1,140)
Deferred tax asset recognised on UK losses	(26,153)	(42,032)
	478,769	471,389

25. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
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
			121,147	121,147

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.

continued...

26. RESERVES

Group

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 April 2022	1,837,987	3,150	1,769,054	191,668	3,801,859
Deficit for the year	(277,163)				(277,163)
Foreign exchange gain arising on translation of overseas subsidiary undertakings	(17,124)	-	-	-	(17,124)
Transfer	9,642	-	(9,642)	-	-
At 31 March 2023	1,553,342	3,150	1,759,412	191,668	3,507,572

Company

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 April 2022	3,092,377	3,150	1,769,054	191,668	5,056,249
Deficit for the year	(920,881)				(920,881)
Transfer	9,642	-	(9,642)	-	-
At 31 March 2023	2,181,138	3,150	1,759,412	191,668	4,135,368

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 (2022: £30,000), which the group has agreed to indemnify.

28. CAPITAL COMMITMENTS

	2023 £	2022 £
Contracted but not provided for in the financial statements	8,906	-

continued...

29. DIRECTORS INTEREST IN CONTRACTS

The following advances and credits to directors subsisted during the years ended 31 March 2023 and 31 March 2022:

	2023	2022
	£	£
M P Haase		
Balance outstanding at start of year	-	4,373
Amounts advanced	-	6,662
Amounts repaid	-	(11,035)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	-	-

	2023	2022
D H Kinsman		
Balance outstanding at start of year	-	3,490
Amounts repaid	-	(3,490)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	-	-

30. 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

	2023	2022
	£	£
Sales to entities	129,847	321,421
Purchases from entities	850	105
Management charges receivable from entities	144,506	179,265
Other interest paid to entities	1,608	2,738
Amounts owed by entities	1,643,886	1,438,863
Amounts owed to entities	300,000	658,882

31. SUBSEQUENT EVENTS

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

32. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is M P Haase.

continued...

33. 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.