

**Group Strategic Report, Report of the Director and
Consolidated Financial Statements for the Year Ended 30 April 2022
for
Computationics Group Limited**

**Contents of the Consolidated Financial Statements
for the Year Ended 30 April 2022**

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Computationics Group Limited

**Company Information
for the Year Ended 30 April 2022**

DIRECTOR: Mr A W Foster

SECRETARY: Mrs S J Foster

REGISTERED OFFICE: 54 Chorley Road
Hilldale
PARBOLD
Lancashire
WN8 7AS

REGISTERED NUMBER: 05498299 (England and Wales)

AUDITORS: Ashworth Treasure Limited
Statutory Auditors
17-19 Park Street
Lytham
Lancashire
FY8 5LU

**Group Strategic Report
for the Year Ended 30 April 2022**

The director presents his strategic report of the company and the group for the year ended 30 April 2022.

REVIEW OF BUSINESS

The group's main activity is the manufacture, distribution and wholesale of a quality range of electronic security and life safety equipment.

The group maintains a research and development programme on a continuing basis in order to strengthen its product base. The company's total expenditure on research and development during the year was £1,954,163 (2021: £1,867,754).

Unfortunately the R&D resource has been diverted to redesign products made unmanufacturable due to component non-availability. This has taken up approx. 75% of R&D resource and ability over the last 12 months with attendant costs to products and stagnation of development of new products. Since major parts of our products require third party assessment this has also resulted in massive increases in third party testing costs all of which has increased our costs and reduced profits which have meant large price increases. Currently that has not affected volumes of sales though GPP is reduced.

The group develops and manufactures market leading and innovative technologically advanced products and has invested in a state of the art research facility in order to continue investing in new products and manufacturing techniques. The research facility enables the group to enforce its position within the market place.

Group turnover has increased by £2.5m in the year and profits before tax increased to £1.9m with the group maintaining a strong balance sheet position at the end of the year. Borrowing is low with a gearing ratio of only 3.4% and liquidity of 307%.

PRINCIPAL RISKS AND UNCERTAINTIES

The group manages all potential risks and really only sees the threat of cheap imports from the East as a risk. Even here, the group is continually reviewing its own manufacturing processes to stay competitive. We have maintained our investment in R&D.

The uncertainty over Brexit has evaporated. The hardest place to export to is ironically Northern Ireland. Our biggest growth market is the EU.

A major threat is the global lack of availability of electronic components. This has had a major impact on our manufacturing capability and has resulted in increased disruptive costs of manufacture.

The group is well placed and maintains a strategy of strong management and leadership which enables the companies to react quickly to any future risks or uncertainties arising out of the business environment.

The group's workforce plays a valuable part in all aspects of the business and we continue to invest in our staff and training programmes to ensure we can embrace new technologies and deliver customer needs.

Reliability and durability is built into the group's products at all stages, helping us to guarantee excellent product quality and equipment that is consistently fit for its intended purpose.

FUTURE DEVELOPMENTS

Future development work includes new detector range and IOT products that will consolidate our CAST range in the marketplace.

This will be delayed due to the effects of the failure of the global supply chains as mentioned above .

ON BEHALF OF THE BOARD:

Mr A W Foster - Director

15 November 2022

**Report of the Director
for the Year Ended 30 April 2022**

The director presents his report with the financial statements of the company and the group for the year ended 30 April 2022.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the manufacture and distribution of electronic security and life safety equipment.

DIVIDENDS

Particulars of dividends paid are detailed in the notes to the financial statements.

DIRECTOR

Mr A W Foster held office during the whole of the period from 1 May 2021 to the date of this report.

DISCLOSURE IN THE STRATEGIC REPORT

The strategic report on the preceding page provides information regarding the performance, developments, and risks and uncertainties of the company.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 director is 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 he 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.

AUDITORS

The auditors, Ashworth Treasure Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr A W Foster - Director

15 November 2022

Report of the Independent Auditors to the Members of Computationics Group Limited

Qualified opinion

We have audited the financial statements of Computationics Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2022 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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, except for the possible effects of the matters described in the Basis for qualified opinion paragraph, the financial statements:

- give a true and fair view of the state of the group's affairs as at 30 April 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

With respect to the group's stock, the evidence available to us in relation to the valuation of the recorded stock quantities was limited. This was because during the year the group implemented a new enterprise resource planning system. An incorrect valuation method was used for stock at the year end. Whilst an exercise was subsequently carried out to correct the valuation we have been unable to carry out sufficient tests to determine the completeness of the valuation.

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 the report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 director with respect to going concern are described in the relevant sections of this report.

Key audit matters

Except for the matter described in the basis for qualified opinion section, we have determined that there are no key audit matters to be communicated in our report.

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, 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 Director 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 Director have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Comptonics Group 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 Director. In respect solely of the limitation in our audit work relating to stock, described above :

- we have not obtained all the information and explanations considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained,

In light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Report of the Independent Auditors to the Members of Comptonics Group Limited

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC etc

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

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

A further description of our responsibilities 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
Computationics Group 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.

Anthony Cooney (Senior Statutory Auditor)
for and on behalf of Ashworth Treasure Limited
Statutory Auditors
17-19 Park Street
Lytham
Lancashire
FY8 5LU

15 November 2022

**Consolidated Statement of Comprehensive Income
for the Year Ended 30 April 2022**

	Notes	2022 £	£	2021 £	£
TURNOVER	4		20,565,046		18,024,445
Cost of sales			<u>12,420,695</u>		<u>10,685,523</u>
GROSS PROFIT			8,144,351		7,338,922
Distribution costs		1,456,411		1,277,276	
Administrative expenses		<u>4,758,647</u>		<u>4,874,978</u>	
			6,215,058		6,152,254
			<u>1,929,293</u>		<u>1,186,668</u>
Other operating income			75,722		648,220
OPERATING PROFIT	6		<u>2,005,015</u>		<u>1,834,888</u>
Interest receivable and similar income			5,986		6,247
			<u>2,011,001</u>		<u>1,841,135</u>
Interest payable and similar expenses	7		26,318		25,222
PROFIT BEFORE TAXATION			<u>1,984,683</u>		<u>1,815,913</u>
Tax on profit	8		(79,236)		62,831
PROFIT FOR THE FINANCIAL YEAR			<u>2,063,919</u>		<u>1,753,082</u>
OTHER COMPREHENSIVE INCOME			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			<u>2,063,919</u>		<u>1,753,082</u>
Profit attributable to: Owners of the parent			<u>2,063,919</u>		<u>1,753,082</u>
Total comprehensive income attributable to: Owners of the parent			<u>2,063,919</u>		<u>1,753,082</u>

Consolidated Balance Sheet
30 April 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	11		8,403,991		8,256,168
Investments	12		-		-
			<u>8,403,991</u>		<u>8,256,168</u>
CURRENT ASSETS					
Stocks	13	7,789,050		4,415,851	
Debtors	14	6,917,286		5,375,459	
Cash at bank and in hand		<u>2,048,003</u>		<u>4,144,042</u>	
		16,754,339		13,935,352	
CREDITORS					
Amounts falling due within one year	15	<u>5,397,254</u>		<u>4,237,076</u>	
NET CURRENT ASSETS			<u>11,357,085</u>		<u>9,698,276</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>19,761,076</u>		<u>17,954,444</u>
CREDITORS					
Amounts falling due after more than one year	16		(633,447)		(768,790)
PROVISIONS FOR LIABILITIES	20		(327,629)		(406,865)
ACCRUALS AND DEFERRED INCOME	21		(453,643)		(496,351)
NET ASSETS			<u>18,346,357</u>		<u>16,282,438</u>
CAPITAL AND RESERVES					
Called up share capital	22		1,000		1,000
Merger reserve	23		2,635,364		2,635,364
Retained earnings	23		<u>15,709,993</u>		<u>13,646,074</u>
SHAREHOLDERS' FUNDS			<u>18,346,357</u>		<u>16,282,438</u>

The financial statements were approved by the director and authorised for issue on 15 November 2022 and were signed by:

Mr A W Foster - Director

Company Balance Sheet

30 April 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	11		-		-
Investments	12		<u>1,001,000</u>		<u>1,001,000</u>
			1,001,000		1,001,000
CREDITORS					
Amounts falling due within one year	15	<u>961,628</u>		<u>961,628</u>	
NET CURRENT LIABILITIES			<u>(961,628)</u>		<u>(961,628)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>39,372</u>		<u>39,372</u>
CAPITAL AND RESERVES					
Called up share capital	22		1,000		1,000
Retained earnings	23		<u>38,372</u>		<u>38,372</u>
SHAREHOLDERS' FUNDS			<u>39,372</u>		<u>39,372</u>
Company's profit for the financial year			<u>-</u>		<u>500,000</u>

The financial statements were approved by the director and authorised for issue on 15 November 2022 and were signed by:

Mr A W Foster - Director

**Consolidated Statement of Changes in Equity
for the Year Ended 30 April 2022**

	Called up share capital £	Retained earnings £	Merger reserve £	Total equity £
Balance at 1 May 2020	1,000	12,392,992	2,635,364	15,029,356
Changes in equity				
Dividends	-	(500,000)	-	(500,000)
Total comprehensive income	-	1,753,082	-	1,753,082
Balance at 30 April 2021	<u>1,000</u>	<u>13,646,074</u>	<u>2,635,364</u>	<u>16,282,438</u>
Changes in equity				
Total comprehensive income	-	2,063,919	-	2,063,919
Balance at 30 April 2022	<u>1,000</u>	<u>15,709,993</u>	<u>2,635,364</u>	<u>18,346,357</u>

**Company Statement of Changes in Equity
for the Year Ended 30 April 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 May 2020	1,000	38,372	39,372
Changes in equity			
Dividends	-	(500,000)	(500,000)
Total comprehensive income	-	500,000	500,000
Balance at 30 April 2021	<u>1,000</u>	<u>38,372</u>	<u>39,372</u>
Changes in equity			
Balance at 30 April 2022	<u>1,000</u>	<u>38,372</u>	<u>39,372</u>

**Consolidated Cash Flow Statement
for the Year Ended 30 April 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	(1,248,300)	2,847,105
Interest paid		(12,758)	(14,901)
Interest element of hire purchase payments paid		(8,434)	(7,138)
Finance costs paid		(5,126)	(3,183)
Tax paid		(5,561)	144,768
Net cash from operating activities		<u>(1,280,179)</u>	<u>2,966,651</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(755,862)	(225,587)
Sale of tangible fixed assets		39,701	44,233
Interest received		5,986	6,247
Net cash from investing activities		<u>(710,175)</u>	<u>(175,107)</u>
Cash flows from financing activities			
Loan repayments in year		(196,003)	(163,243)
Capital repayments in year		115,574	(65,497)
Amount introduced by directors		-	406,354
Amount withdrawn by directors		(25,256)	-
Equity dividends paid		-	(500,000)
Net cash from financing activities		<u>(105,685)</u>	<u>(322,386)</u>
(Decrease)/increase in cash and cash equivalents		<u>(2,096,039)</u>	<u>2,469,158</u>
Cash and cash equivalents at beginning of year	2	4,144,042	1,674,884
Cash and cash equivalents at end of year	2	<u><u>2,048,003</u></u>	<u><u>4,144,042</u></u>

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 April 2022**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
Profit before taxation	1,984,683	1,815,913
Depreciation charges	584,807	608,534
Profit on disposal of fixed assets	(16,467)	(1,689)
Finance costs	26,318	25,222
Finance income	(5,986)	(6,247)
	<u>2,573,355</u>	<u>2,441,733</u>
Increase in stocks	(3,373,199)	(100,905)
Increase in trade and other debtors	(1,541,827)	(190,470)
Increase in trade and other creditors	1,093,371	696,747
Cash generated from operations	<u>(1,248,300)</u>	<u>2,847,105</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 April 2022

	30.4.22	1.5.21
	£	£
Cash and cash equivalents	<u>2,048,003</u>	<u>4,144,042</u>

Year ended 30 April 2021

	30.4.21	1.5.20
	£	£
Cash and cash equivalents	<u>4,144,042</u>	<u>1,674,884</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.5.21	Cash flow	At 30.4.22
	£	£	£
Net cash			
Cash at bank and in hand	<u>4,144,042</u>	<u>(2,096,039)</u>	<u>2,048,003</u>
	<u>4,144,042</u>	<u>(2,096,039)</u>	<u>2,048,003</u>
Debt			
Finance leases	(191,922)	(115,574)	(307,496)
Debts falling due within 1 year	(196,880)	(5,535)	(202,415)
Debts falling due after 1 year	<u>(643,860)</u>	<u>201,536</u>	<u>(442,324)</u>
	<u>(1,032,662)</u>	<u>80,427</u>	<u>(952,235)</u>
Total	<u>3,111,380</u>	<u>(2,015,612)</u>	<u>1,095,768</u>

**Notes to the Consolidated Financial Statements
for the Year Ended 30 April 2022**

1. STATUTORY INFORMATION

Computationics Group 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.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling, which is the functional currency of the entity.

Basis of consolidation

The group accounts consolidate the accounts of Computationics Group Limited, its subsidiary undertaking, Computationics Limited and its sub-subsidiary undertaking Signet AC Limited.

Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date on which control passed.

Related party exemption

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

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Significant judgements and estimates

In the application of the group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily available from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both.

The key judgements and sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Estimated useful lives and residual values of fixed assets

Depreciation of tangible fixed assets has been based on estimated useful lives and residual values deemed appropriate by the directors. Estimated useful lives are reviewed annually and revised as appropriate. Revisions take into account estimated useful lives used by other companies operating in the sector and actual asset lives and residual values, as evidenced by disposals during current and prior accounting periods.

Impairment of non-financial assets

Non-financial assets include goodwill, investments and tangible fixed assets. The group assesses at each reporting date whether there is an indication that the carrying amount of an asset may not be recoverable. If there is such an indication then the group estimates the recoverable amount of the asset using the information available at that date. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than the carrying amount, the carrying amount of an asset is impaired and it is reduced to its recoverable amount through an impairment in the statement of comprehensive income.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2022**

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Freehold property	- nil - 5% on reducing balance
Improvements to property	- 5% on reducing balance
Plant and machinery	- 20% on reducing balance and 10% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 33% on reducing balance and 25% on reducing balance
Computer equipment	- 15% on reducing balance

Fixed assets are stated at purchase price, less depreciation and amounts written off.

Government grants

Grants are recognised under the accrual model or performance model;

Under the accrual model, revenue grants are recognised on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving financial support to the entity with no future related costs are recognised in income in the period in which it become receivable.

Under the performance model, where the grant does not impose specified future performance related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions, it is recognised in income only when those conditions have been met, otherwise they are recognised as a liability.

Government grants received in respect of fixed assets are deferred and included in the profit and loss account by instalments over the expected useful lives of the related assets. Estimated useful lives are equivalent to those disclosed in the accounting policy for fixed assets and depreciation.

Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in-first-out method and consists of material and direct labour costs, together with an appropriate proportion of production overheads.

Financial instruments

The following assets and liabilities are classified as financial instruments - investments in subsidiaries, trade debtors, trade creditors, hire purchase contracts, bank loans, other loans and inter-group balances.

Investments in subsidiary undertakings are measured at cost less impairment.

Hire purchase contracts and bank loans are initially measured at the present value of future payments, discounted at a market rate of interest, and subsequently at amortised cost using the effective interest method.

Inter-group balances (being repayable on demand), trade debtors, trade creditors and other loans are measured at the undiscounted amount of cash or other consideration expected to be paid or received.

Financial assets are assessed at the end of each reporting period for objective evidence of impairment and if applicable recognised as appropriate.

Taxation

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

Current or deferred 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 balance sheet date.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2022**

3. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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 in which it is incurred.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund.

Leased assets and obligations

Tangible fixed assets operated under the terms of finance leases are capitalised at a value equal to the cost incurred by the lessor in acquiring the relevant assets and depreciated in the same manner as owned assets. Leases are regarded as finance leases where their terms transfer to the lessee substantially all the benefits and burdens of ownership other than the right to title. The capital element of future lease payments is included in creditors. In the case of other leases, the annual rentals are charged to trading profit on a straight line basis over the lease terms.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2022 £	2021 £
United Kingdom	14,327,578	12,912,445
Europe and other	6,237,468	5,112,000
	<u>20,565,046</u>	<u>18,024,445</u>

5. EMPLOYEES AND DIRECTORS

	2022 £	2021 £
Wages and salaries	5,577,398	4,988,993
Social security costs	470,224	479,761
Other pension costs	154,334	132,436
	<u>6,201,956</u>	<u>5,601,190</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2022**

5. EMPLOYEES AND DIRECTORS - continued

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

	2022	2021
Production and sales	173	157
Office and management	17	18
	<u>190</u>	<u>175</u>
	2022	2021
	£	£
Director's remuneration	<u>227,192</u>	<u>272,224</u>

Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Emoluments etc	<u>159,159</u>	<u>206,667</u>

6. OPERATING PROFIT

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

	2022	2021
	£	£
Hire of plant and machinery	140,894	144,847
Depreciation - owned assets	535,359	549,945
Depreciation - assets on hire purchase contracts	49,446	58,410
Profit on disposal of fixed assets	(16,467)	(1,689)
Auditors' remuneration	16,000	15,000
Auditors' remuneration for non audit work	17,850	17,350
Research and development	1,954,163	1,867,754
Foreign currency exchange (gain)/loss	(4,720)	(29,992)
Grants released	(42,708)	(48,642)
Government grants	<u>(2,754)</u>	<u>(560,115)</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest	12,758	14,901
Hire purchase interest	8,434	7,138
Sundry finance charges	5,126	3,183
	<u>26,318</u>	<u>25,222</u>

8. TAXATION

Analysis of the tax (credit)/charge

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

	2022	2021
	£	£
Current tax:		
UK corporation tax	-	(139,207)
Deferred tax	(79,236)	202,038
Tax on profit	<u>(79,236)</u>	<u>62,831</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2022**

8. TAXATION - continued

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

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

	2022 £	2021 £
Profit before tax	<u>1,984,683</u>	<u>1,815,913</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %)	377,090	345,023
Effects of:		
Adjustments to tax charge in respect of previous periods company rate	-	16,020
Expenses not deductible for tax purposes	6,596	19,156
Deferred income released	(8,115)	(9,241)
Research and development tax credits	(441,420)	(386,636)
Depreciation on non qualifying assets	27,689	28,621
Research and development tax credits rate reduction	-	49,888
Enhanced capital allowances	<u>(41,076)</u>	<u>-</u>
Total tax (credit)/charge	<u>(79,236)</u>	<u>62,831</u>

9. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

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

10. DIVIDENDS

	2022 £	2021 £
Ordinary shares of £1 each		
Interim	<u>-</u>	<u>500,000</u>

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 May 2021	9,220,475	109,349	4,375,625
Additions	14,227	-	525,448
Disposals	-	-	-
At 30 April 2022	<u>9,234,702</u>	<u>109,349</u>	<u>4,901,073</u>
DEPRECIATION			
At 1 May 2021	3,037,385	63,818	2,854,780
Charge for year	259,414	2,280	188,961
Eliminated on disposal	-	-	-
At 30 April 2022	<u>3,296,799</u>	<u>66,098</u>	<u>3,043,741</u>
NET BOOK VALUE			
At 30 April 2022	<u>5,937,903</u>	<u>43,251</u>	<u>1,857,332</u>
At 30 April 2021	<u>6,183,090</u>	<u>45,531</u>	<u>1,520,845</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2022

11. TANGIBLE FIXED ASSETS - continued

Group

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 May 2021	1,598,244	316,883	208,893	15,829,469
Additions	195,187	21,000	-	755,862
Disposals	-	(82,317)	-	(82,317)
At 30 April 2022	1,793,431	255,566	208,893	16,503,014
DEPRECIATION				
At 1 May 2021	1,195,086	241,670	180,562	7,573,301
Charge for year	111,043	18,859	4,248	584,805
Eliminated on disposal	-	(59,083)	-	(59,083)
At 30 April 2022	1,306,129	201,446	184,810	8,099,023
NET BOOK VALUE				
At 30 April 2022	487,302	54,120	24,083	8,403,991
At 30 April 2021	403,158	75,213	28,331	8,256,168

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

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 May 2021	243,453	13,160	78,571	335,184
Additions	-	-	21,000	21,000
Disposals	-	-	(35,571)	(35,571)
Transfer to ownership	-	-	(14,437)	(14,437)
At 30 April 2022	243,453	13,160	49,563	306,176
DEPRECIATION				
At 1 May 2021	64,921	2,468	42,628	110,017
Charge for year	35,706	4,677	9,063	49,446
Eliminated on disposal	-	-	(22,081)	(22,081)
Transfer to ownership	-	-	(8,471)	(8,471)
At 30 April 2022	100,627	7,145	21,139	128,911
NET BOOK VALUE				
At 30 April 2022	142,826	6,015	28,424	177,265
At 30 April 2021	178,532	10,692	35,943	225,167

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2022

12. **FIXED ASSET INVESTMENTS**

Company

Shares in
group
undertakings
£

COST

At 1 May 2021
and 30 April 2022

1,001,000

NET BOOK VALUE

At 30 April 2022
At 30 April 2021

1,001,000

1,001,000

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Computationics Limited

Registered office: England

Nature of business: Manufacture of electronic security equipment

Class of shares: %
Ordinary £1 holding
100.00

Aggregate capital and reserves
Profit for the year

2022	2021
£	£
17,051,521	15,435,821
1,615,700	1,615,656

Signet AC Limited

Registered office: England

Nature of business: Manufacture and design of life safety equipment

Class of shares: %
Ordinary £1 holding
100.00

Aggregate capital and reserves
Profit for the year

2022	2021
£	£
2,257,476	1,809,253
448,223	137,426

13. **STOCKS**

Group

	2022	2021
	£	£
Stocks	5,430,169	2,375,601
Work-in-progress	1,219,827	575,638
Finished goods	1,139,054	1,464,612
	<u>7,789,050</u>	<u>4,415,851</u>

Stocks recognised as an expense in the period were £12.4m (2021: £8.1m).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2022

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2022	2021
	£	£
Trade debtors	5,085,467	5,014,378
Other debtors	906,873	27,542
Prepayments and accrued income	924,946	333,539
	<u>6,917,286</u>	<u>5,375,459</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts (see note 17)	202,415	196,880	-	-
Hire purchase contracts (see note 18)	116,373	66,992	-	-
Trade creditors	4,122,368	2,562,239	-	-
Amounts owed to group undertakings	-	-	961,628	961,628
Corporation tax	-	5,561	-	-
Social security and other taxes	181,678	514,751	-	-
Other creditors	23,962	97,712	-	-
Directors' current accounts	382,044	407,300	-	-
Accrued expenses	368,414	385,641	-	-
	<u>5,397,254</u>	<u>4,237,076</u>	<u>961,628</u>	<u>961,628</u>

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

	Group	
	2022	2021
	£	£
Bank loans (see note 17)	442,324	643,860
Hire purchase contracts (see note 18)	191,123	124,930
	<u>633,447</u>	<u>768,790</u>

17. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>202,415</u>	<u>196,880</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>203,191</u>	<u>200,018</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>239,133</u>	<u>443,842</u>

The bank loans and overdraft are secured by a legal charge over land and buildings, together with a debenture over all assets of Computationics Limited and Signet (AC) Limited.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2022

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	116,373	66,992
Between one and five years	191,123	124,930
	<u>307,496</u>	<u>191,922</u>

Liabilities under finance leases and hire purchase contracts are secured on the assets to which they relate.

Group

	Non-cancellable operating leases	
	2022	2021
	£	£
Within one year	133,701	100,903
Between one and five years	322,603	62,319
In more than five years	787	-
	<u>457,091</u>	<u>163,222</u>

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2022	2021
	£	£
Bank loans	644,739	840,740
Hire purchase contracts	307,496	191,922
	<u>952,235</u>	<u>1,032,662</u>

20. PROVISIONS FOR LIABILITIES

	Group	
	2022	2021
	£	£
Deferred tax	<u>327,629</u>	<u>406,865</u>

Group

	Deferred tax
	£
Balance at 1 May 2021	406,865
Credit to Statement of Comprehensive Income during year	(79,236)
Balance at 30 April 2022	<u>327,629</u>

The deferred tax balance originates from capital allowances in excess of depreciation.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2022

21. ACCRUALS AND DEFERRED INCOME

	Group	
	2022	2021
	£	£
Deferred government grants	<u>453,643</u>	<u>496,351</u>

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value: £1	2022	2021
Number:	Class:		£	£
1,000	Ordinary		<u>1,000</u>	<u>1,000</u>

23. RESERVES

Group		Retained earnings £	Merger reserve £	Totals £
At 1 May 2021		13,646,074	2,635,364	16,281,438
Profit for the year		2,063,919		2,063,919
At 30 April 2022		<u>15,709,993</u>	<u>2,635,364</u>	<u>18,345,357</u>
Company				Retained earnings £
At 1 May 2021				38,372
Profit for the year				-
At 30 April 2022				<u>38,372</u>

24. CONTINGENT LIABILITIES

Deferred income of £453,643 (2021 - £496,351) is in respect of government grants. The terms of the grant offer provides for the repayment of part or all of the said grants if the terms of the offer letters are not complied with.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2022**

25. RELATED PARTY DISCLOSURES

Solid State Security Limited is a company in which Andrew Foster is a director and has a 100% shareholding.

Computationics Limited is a subsidiary of Computationics Group Limited.

Signet (AC) Limited is a subsidiary of Computationics Limited.

During the year there were the following transactions between Computationics Limited and Solid State Security Limited:

Description	£	£	2022	2021
Sales			827,512	801,522
Purchases			35,263	40,788
Management charges			-	42,000

The net sum of £346,567 (2021 - £997,470) was due from Solid State Security limited at the balance sheet date.

A loan of £225,000 was made by Signet (AC) Limited to Solid State Security Ltd at the balance sheet date, this amount has been fully repaid shortly after the year end.

Computationics Limited made a loan of £760,000 to Country Barns Limited which was outstanding at the year end, this is a company related by common control.

During the year, Signet AC Limited paid £60,000 (2021 - £60,000) in respect of rent to the trustees of the Computationics Limited Pension Fund.

The company's key management personnel are considered to be the directors. Their compensation during the year is shown in note 5.

26. ULTIMATE CONTROLLING PARTY

The ultimate controlling party throughout the year was Mr A W Foster.

27. EMPLOYEE BENEFITS

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £160,965 (2021: £140,603). The amount outstanding at the year end was £23,962.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.