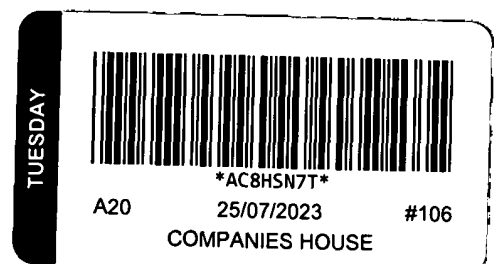


Company registration number 05677689 (England and Wales)

**VOLZ FILTERS UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



# **VOLZ FILTERS UK LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr A Hawkswood Mr J Marsh Mr J Thornton Mrs K Thornton Mr R Volz
<b>Company number</b>	05677689
<b>Registered office</b>	Unit 1 Canary Way Agecroft Business Park Swinton Manchester M27 8AW
<b>Auditor</b>	Cowgill Holloway LLP Regency House 45-53 Chorley New Road Bolton BL1 4QR

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# **VOLZ FILTERS UK LIMITED**

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# **VOLZ FILTERS UK LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present the strategic report for the year ended 31 December 2022.

#### **Fair review of the business**

##### **Executive Summary:**

The strategic report analyses the performance of Volz Filters UK Ltd over the past financial year, highlights key challenges and opportunities, and sets out our goals for the future to ensure that the company remains successful and maintains its competitive advantage.

##### **1. Financial overview:**

This financial year has seen robust revenue growth for Volz Filters UK Ltd, driven by an increase in sales across our core product lines. Our operating income has similarly improved, indicating that the company has successfully maintained its profitability.

Despite this growth, we remain cognizant of the potential risks and uncertainties that may affect our future financial performance, including economic conditions, increased competition, and regulatory changes. We are proactively monitoring these factors and adapting our strategies accordingly.

##### **2. Market overview:**

The filtration industry has grown steadily in recent years, driven by an increasing need for clean air, accompanied by higher emissions standards for industries operating in the UK and Europe. The shift towards green energy and sustainable solutions has impacted product demand, and as such, we continue to invest in research and development to expand our product offerings in energy-efficient and environmentally friendly alternatives.

##### **3. Competitive positioning:**

Volz Filters UK Ltd continues to be competitive within the industry, building a strong reputation for high-quality, reliable products and excellent customer service. Our focus on continuous improvement, innovation and strategic partnerships have enabled us to stay ahead of our competitors and strengthen our market position.

##### **4. Risks and opportunities:**

Key risks for Volz Filters UK Ltd include economic conditions affecting our customers, potential regulatory changes impacting our product certifications, and increased competition from lower-priced alternatives. To minimise these risks, we are focused on diversifying our customer base, expanding our product range to meet changing regulations, and adopting strategies to improve production efficiencies and maintain price competitiveness.

Conversely, opportunities within our industry lie in the growth of the green energy sectors, wherein we can leverage our expertise to develop new, sustainable solutions. Additionally, emerging market provide potential areas for expansion and growth, and we will continue to explore possibilities for strategic partnerships and collaborations.

##### **5. Objectives and strategy:**

Our main objectives for the coming financial year are to:

- a. Strengthen our position within the UK and European filtration market.
- b. Develop new products geared towards sustainable technology.
- c. Continued focus on innovation, research and development.
- d. Increased operational efficiency to support growth and maintain profitability.
- e. Expand into emerging markets through strategic partnerships.

We will achieve these objectives by leveraging our expertise in the filtration market, investing in cutting-edge research, and prioritising customer relationships. Furthermore, we will maintain strict governance, ensuring that our business decisions align with our overall strategy.

## **VOLZ FILTERS UK LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **Other information and explanations**

##### **6. Environmental, social and governance (ESG) considerations:**

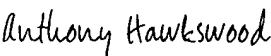
Volz Filters UK Ltd is committed to fostering a sustainable and responsible business. We focus on reducing our environmental impact by developing energy-efficient products, implementing waste reduction initiatives and sourcing materials responsibly. Additionally, we are dedicated to maintaining a positive work environment, promoting diversity, equal opportunities, and employee wellbeing.

##### **Conclusion:**

The financial performance of Volz Filters UK Ltd over the past year reflects our ability to adapt to a changing environment and maintain our competitive advantage. We remain true to our objective of providing high-quality filtration solutions to our customers, while proactively addressing potential risks, industry challenges, and embracing market opportunities.

By developing our product offerings to meet the growing demand for sustainable solutions, continuously improving our operations, and delivering stable financial performance, Volz Filters UK Ltd is well positioned for continued success in the years to come.

On behalf of the board

DocuSigned by:  
  
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Mr A Hawkswood

Director

Date: 16/6/2023 | 12:15 PM BST

# **VOLZ FILTERS UK LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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The directors present their annual report and financial statements for the year ended 31 December 2022.

### **Principal activities**

The principal activity of the company continued to be the manufacture and sale of air filters.

### **Results and dividends**

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A Hawkswood  
Mr J Marsh  
Mr J Thornton  
Mrs K Thornton  
Mr R Volz

### **Auditor**

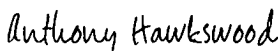
The auditor, Cowgill Holloway LLP, have been appointed in the year and are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

DocuSigned by:



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Mr A Hawkswood

Director

Date: 16/6/2023 | 12:15 PM BST

## **VOLZ FILTERS UK LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **VOLZ FILTERS UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF VOLZ FILTERS UK LIMITED**

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#### **Opinion**

We have audited the financial statements of Volz Filters UK Limited (the 'company') for the year ended 31 December 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.



## **VOLZ FILTERS UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF VOLZ FILTERS UK LIMITED**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

## **VOLZ FILTERS UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF VOLZ FILTERS UK LIMITED**

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We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussions with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Companies Act 2006, FRS102, Health and Safety at Work Act and Employment Law.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher 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.

We design procedures in line with our responsibilities, outlined below to detect material misstatement due to fraud:

- Matters are discussed amongst the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud
- Identifying and assessing the design and effectiveness of controls that management have in place to prevent and detect fraud
- Detecting and responding to the risks of fraud following discussions with management and enquiring as to whether management have knowledge of any actual, suspected or alleged fraud;

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

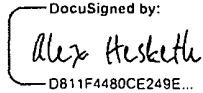
## **VOLZ FILTERS UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF VOLZ FILTERS UK LIMITED**

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#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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**Alex Hesketh**  
**Senior Statutory Auditor**  
**For and on behalf of Cowgill Holloway LLP**

Date: 16/6/2023 | 12:49 PM BST

**Chartered Accountants**  
**Statutory Auditor**

Regency House  
45-53 Chorley New Road  
Bolton  
BL1 4QR

**VOLZ FILTERS UK LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Turnover	3	8,167,727	7,602,850
Cost of sales		(5,794,697)	(4,869,428)
<b>Gross profit</b>		<b>2,373,030</b>	<b>2,733,422</b>
Administrative expenses		(1,518,919)	(1,814,059)
Other operating income		42,181	52,252
<b>Operating profit</b>	<b>4</b>	<b>896,292</b>	<b>971,615</b>
Interest receivable and similar income	7	4,315	32,165
Interest payable and similar expenses	8	(63,348)	(51,933)
Amounts written off investments	9	(20,000)	-
<b>Profit before taxation</b>		<b>817,259</b>	<b>951,847</b>
Tax on profit	10	19,782	(29,267)
<b>Profit for the financial year</b>		<b>837,041</b>	<b>922,580</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

**VOLZ FILTERS UK LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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	2022 £	2021 £
Profit for the year	837,041	922,580
Other comprehensive income	-	-
Total comprehensive income for the year	<u>837,041</u>	<u>922,580</u>

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**VOLZ FILTERS UK LIMITED****BALANCE SHEET****AS AT 31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	11	3,040,862		3,108,047	
Investments	12	192,746		212,746	
		<u>3,233,608</u>		<u>3,320,793</u>	
<b>Current assets</b>					
Stocks	14	987,540		939,878	
Debtors	15	5,017,739		4,265,972	
Cash at bank and in hand		538,057		947,293	
		<u>6,543,336</u>		<u>6,153,143</u>	
<b>Creditors: amounts falling due within one year</b>	16	(1,266,075)		(1,740,950)	
<b>Net current assets</b>		<u>5,277,261</u>		<u>4,412,193</u>	
<b>Total assets less current liabilities</b>		<u>8,510,869</u>		<u>7,732,986</u>	
<b>Creditors: amounts falling due after more than one year</b>	17	(1,493,097)		(1,553,765)	
<b>Provisions for liabilities</b>					
Deferred tax liability	19	45,510		44,000	
		<u>(45,510)</u>		<u>(44,000)</u>	
<b>Net assets</b>		<u>6,972,262</u>		<u>6,135,221</u>	
<b>Capital and reserves</b>					
Called up share capital	21	10,000		10,000	
Revaluation reserve	22	346,804		355,065	
Profit and loss reserves		6,615,458		5,770,156	
<b>Total equity</b>		<u>6,972,262</u>		<u>6,135,221</u>	

The financial statements were approved by the board of directors and authorised for issue on 16/6/2023 | 12:15 PM BS  
are signed on its behalf by:

DocuSigned by:

Anthony Hawkswood

Mr A Hawkswood

Director

Company Registration No. 05677689

**VOLZ FILTERS UK LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 January 2021</b>	10,000	363,326	4,839,315	5,212,641
<b>Year ended 31 December 2021:</b>				
Profit and total comprehensive income for the year	-	-	922,580	922,580
Transfers	-	(8,261)	8,261	-
<b>Balance at 31 December 2021</b>	10,000	355,065	5,770,156	6,135,221
<b>Year ended 31 December 2022:</b>				
Profit and total comprehensive income for the year	-	-	837,041	837,041
Transfers	-	(8,261)	8,261	-
<b>Balance at 31 December 2022</b>	10,000	346,804	6,615,458	6,972,262

**VOLZ FILTERS UK LIMITED****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	26		(265,268)		656,042
Interest paid			(63,348)		(51,933)
Income taxes refunded/(paid)			42,750		(194,328)
<b>Net cash (outflow)/inflow from operating activities</b>			(285,866)		409,781
<b>Investing activities</b>					
Purchase of tangible fixed assets		(64,265)		(902,037)	
Interest received		4,315		2,946	
Dividends received		-		29,219	
<b>Net cash used in investing activities</b>			(59,950)		(869,872)
<b>Financing activities</b>					
Repayment of bank loans		(63,420)		512,899	
Payment of finance leases obligations		-		(1,443)	
<b>Net cash (used in)/generated from financing activities</b>			(63,420)		511,456
<b>Net (decrease)/increase in cash and cash equivalents</b>			(409,236)		51,365
Cash and cash equivalents at beginning of year			947,293		895,928
<b>Cash and cash equivalents at end of year</b>			538,057		947,293



# **VOLZ FILTERS UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **1 Accounting policies**

#### **Company information**

Volz Filters UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 1 Canary Way, Agecroft Business Park, Swinton, Manchester, M27 8AW.

#### **1.1 Accounting convention**

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about the group.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	2% straight line
Leasehold improvements	14% straight line
Plant and equipment	14% straight line
Computers	33 % straight line
Motor vehicles	25% straight line

# VOLZ FILTERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

# VOLZ FILTERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

# VOLZ FILTERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.11 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# **VOLZ FILTERS UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2022**

### **1 Accounting policies**

**(Continued)**

#### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.14 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### **1.15 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### **2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# VOLZ FILTERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 2 Judgements and key sources of estimation uncertainty

(Continued)

##### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

##### Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management consider factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

##### Foreign currency transactions

Where transactions are carried out denominated in a currency other than GBP, the gain or loss arising on movements in foreign exchange rates between transaction dates and payment, receipt or reporting dates is recognised within cost of sales due to the fact that such transactions relate to the purchase of raw materials.

#### 3 Turnover and other revenue

	2022 £	2021 £
<b>Turnover analysed by class of business</b>		
Manufacturing	8,167,727	7,602,850
	<u>8,167,727</u>	<u>7,602,850</u>
	2022 £	2021 £
<b>Turnover analysed by geographical market</b>		
UK	7,750,481	6,974,992
Europe	112,423	627,858
USA	304,823	-
	<u>8,167,727</u>	<u>7,602,850</u>
	2022 £	2021 £
<b>Other revenue</b>		
Interest income	4,315	2,946
Dividends received	-	29,219
Grants received	-	52,252
	<u>4,315</u>	<u>32,177</u>

**VOLZ FILTERS UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022****4 Operating profit**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(38,177)	(7,931)
Government grants	-	(52,252)
Fees payable to the company's auditor for the audit of the company's financial statements	11,143	13,480
Depreciation of owned tangible fixed assets	131,450	163,891
Operating lease charges	5,305	-
	<u>          </u>	<u>          </u>

**5 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

<b>2022</b>	<b>2021</b>
<b>Number</b>	<b>Number</b>
62	53
<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,880,320	1,980,344
Social security costs	225,388	262,698
Pension costs	31,215	28,055
	<u>          </u>	<u>          </u>
	2,136,923	2,271,097
	<u>          </u>	<u>          </u>

**6 Directors' remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	160,698	535,936
Company pension contributions to defined contribution schemes	-	1,318
	<u>          </u>	<u>          </u>
	160,698	537,254
	<u>          </u>	<u>          </u>

**VOLZ FILTERS UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

<b>7</b>	<b>Interest receivable and similar income</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	<b>Interest income</b>		
	Interest on bank deposits	1,646	316
	Interest receivable from group companies	2,669	2,630
		<u>4,315</u>	<u>2,946</u>
	<b>Total interest revenue</b>	<b>4,315</b>	<b>2,946</b>
	<b>Other income from investments</b>		
	Dividends received	-	29,219
		<u>4,315</u>	<u>32,165</u>
	<b>Total income</b>	<b>4,315</b>	<b>32,165</b>
	<b>Investment income includes the following:</b>		
	Interest on financial assets not measured at fair value through profit or loss	<u>4,315</u>	<u>2,946</u>
<b>8</b>	<b>Interest payable and similar expenses</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	<b>Interest on financial liabilities measured at amortised cost:</b>		
	Interest on bank overdrafts and loans	<u>63,348</u>	<u>51,933</u>
<b>9</b>	<b>Amounts written off investments</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	Other gains and losses	<u>(20,000)</u>	<u>-</u>
<b>10</b>	<b>Taxation</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	-	28,291
	Adjustments in respect of prior periods	<u>(21,292)</u>	<u>-</u>
	<b>Total current tax</b>	<b>(21,292)</b>	<b>28,291</b>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	<u>1,510</u>	<u>976</u>
	<b>Total tax (credit)/charge</b>	<b>(19,782)</b>	<b>29,267</b>



# VOLZ FILTERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 10 Taxation

(Continued)

The actual (credit)/charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	817,259	951,847
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	155,279	180,851
Tax effect of expenses that are not deductible in determining taxable profit	(1,898)	-
Adjustments in respect of prior years	(21,292)	-
Group relief	(164,078)	(180,851)
Permanent capital allowances in excess of depreciation	12,207	29,267
Taxation (credit)/charge for the year	(19,782)	29,267

### 11 Tangible fixed assets

	Leasehold land and buildings £	Leasehold improvements £	Plant and equipment £	Computers £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 January 2022	3,186,830	111,922	855,128	124,376	80,615	4,358,871
Additions	-	-	45,701	18,564	-	64,265
At 31 December 2022	3,186,830	111,922	900,829	142,940	80,615	4,423,136
<b>Depreciation and impairment</b>						
At 1 January 2022	295,374	88,378	700,936	120,636	45,500	1,250,824
Depreciation charged in the year	63,737	6,142	48,978	3,228	9,365	131,450
At 31 December 2022	359,111	94,520	749,914	123,864	54,865	1,382,274
<b>Carrying amount</b>						
At 31 December 2022	2,827,719	17,402	150,915	19,076	25,750	3,040,862
At 31 December 2021	2,891,456	23,544	154,192	3,740	35,115	3,108,047

### 12 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	13	192,746	212,746

# VOLZ FILTERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 12 Fixed asset investments (Continued)

#### Movements in fixed asset investments

	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 January 2022 & 31 December 2022	212,746
<b>Impairment</b>	
At 1 January 2022	-
Impairment losses	20,000
At 31 December 2022	20,000
<b>Carrying amount</b>	
At 31 December 2022	192,746
At 31 December 2021	212,746

### 13 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Midland Filter Products Ltd	Unit H Barn Way, Lodge Farm Industrial Estate, Northampton, England, NN5 7UW	Ordinary	100.00	-
Volz Engineering Limited	Unit 1 Fishwick Street, Scotts Park Industrial Estate, Rochdale, England, OL16 5NA	Ordinary	100.00	-
Pressed Parts Company	Unit 1 Fishwick St, Rochdale, Lanc, OL16 5NA	Ordinary	100.00	-
Swan Enviro Ltd	Unit 19 Butlerfield Industrial Estate, Bonnyrigg, Midlothian E19 3JQ	Ordinary	-	100.00

### 14 Stocks

	2022 £	2021 £
Finished goods and goods for resale	987,540	939,878

**VOLZ FILTERS UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****15 Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	2,001,224	1,827,764
Corporation tax recoverable	-	21,458
Amounts owed by group undertakings	1,024,579	1,836,147
Other debtors	17,651	15,000
Prepayments and accrued income	212,333	59,454
	<u>3,255,787</u>	<u>3,759,823</u>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	<u>1,761,952</u>	<u>506,149</u>
<b>Total debtors</b>	<u><u>5,017,739</u></u>	<u><u>4,265,972</u></u>

**16 Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
	<b>Notes</b>	
Bank loans	<b>18</b>	66,363
Trade creditors		374,324
Amounts owed to group undertakings		253,001
Taxation and social security		189,915
Other creditors		8,413
Accruals and deferred income		374,059
		<u>1,266,075</u>
		<u>1,740,950</u>

**17 Creditors: amounts falling due after more than one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
	<b>Notes</b>	
Bank loans and overdrafts	<b>18</b>	1,493,097
		<u>1,553,765</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>1,177,035</u>	<u>1,263,513</u>
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**VOLZ FILTERS UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****18 Loans and overdrafts**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loans	1,559,460	1,622,880
Payable within one year	66,363	69,115
Payable after one year	1,493,097	1,553,765

The long-term loans are secured by fixed and floating charges over all the property and undertakings of the company.

Bank loans of £621,679 (2021: £654,649) are secured on the land and buildings of the company at Unit 1, Agecroft Commerce Park, Swinton, Manchester. Interest is charged at a rate of 5.6% above base rate.

Bank loans of £392,867 (2021: £408,735) are secured on the land and buildings of the company at Unit 19, Butterfield Industrial Estate, Bonnyrigg. Interest is charged at a rate of 6.5% above based rate.

Bank loans of £544,914 (2021: £559,496) are secured on the land and buildings of the company at Unit H Bam Way, Lodge Farm Industrial Estate, Northampton. Interest is charged 6.5% above base rate.

**19 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	<b>Liabilities</b>	<b>Liabilities</b>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Balances:</b>		
Accelerated capital allowances	45,510	44,000
<b>Movements in the year:</b>		<b>2022</b>
		<b>£</b>
Liability at 1 January 2022		44,000
Charge to profit or loss		1,510
Liability at 31 December 2022		45,510

The deferred tax liability set out above is expected to reverse within [12 months] and relates to accelerated capital allowances that are expected to mature within the same period.

**VOLZ FILTERS UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022****20 Retirement benefit schemes**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	31,215	28,055
	<u>          </u>	<u>          </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Included within creditors is a balance of £6,877 (2021: £8,045) in relation to the pension scheme.

**21 Share capital**

	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	10,000	10,000	10,000	10,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**22 Revaluation reserve**

The revaluation reserve reflects the increase in market value of the leasehold building from historic cost. The property was last revalued on 2 April 2014 and on transition to FRS 102, the directors have taken this valuation to be deemed cost.

Transfers are made on an annual basis from the revaluation reserve to the profit and loss account to reflect the additional depreciation being charged on the revalued amount over the historic cost.

**23 Operating lease commitments****Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Within one year	1,360	1,654
Between two and five years	-	1,359
	<u>          </u>	<u>          </u>
	1,360	3,013
	<u>          </u>	<u>          </u>

**24 Related party transactions****Transactions with related parties**

The only related party transactions entered into during the year were with other members within the group headed by Volz Luftfilter GmbH & Co. KG. The transactions included sales to other group members as well as management and technical support charges and other similar charges from other group members.

Related party disclosure exemptions for group companies has been applied under FRS 102 para 33.1A.

# VOLZ FILTERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 25 Ultimate controlling party

The company's parent company is Volz Luftfilter GmbH & Co. KG, a company incorporated in Germany. It's registered office is Manfred-Volz-Strasse 3, 72160 Horb am Neckar, Stuttgart Germany.

Mr R Volz is the ultimate controlling party of the parent company.

The largest and smallest group into which the company is consolidated is the consolidated group accounts of Volz Luftfilter GmbH & Co. KG. The accounts are publicly available online from the Unternehmen Register.

### 26 Cash (absorbed by)/generated from operations

	2022 £	2021 £
Profit for the year after tax	837,041	922,580
<b>Adjustments for:</b>		
Taxation (credited)/charged	(19,782)	29,267
Finance costs	63,348	51,933
Investment income	(4,315)	(32,165)
Depreciation and impairment of tangible fixed assets	131,450	163,891
Other gains and losses	20,000	-
<b>Movements in working capital:</b>		
Increase in stocks	(47,662)	(169,272)
Increase in debtors	(773,225)	(1,019,747)
(Decrease)/increase in creditors	(472,123)	709,555
<b>Cash (absorbed by)/generated from operations</b>	<b>(265,268)</b>	<b>656,042</b>

### 27 Analysis of changes in net debt

	1 January 2022 £	Cash flows £	31 December 2022 £
Cash at bank and in hand	947,293	(409,236)	538,057
Borrowings excluding overdrafts	(1,622,880)	63,420	(1,559,460)
	<b>(675,587)</b>	<b>(345,816)</b>	<b>(1,021,403)</b>