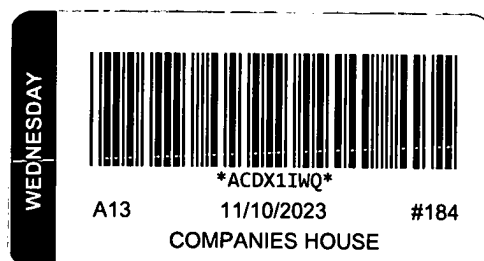


REGISTERED NUMBER: 06706957 (England and Wales)

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
FOR
SPC CORPORATE LIMITED**



**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Consolidated Statement of Comprehensive Income	10
Consolidated Balance Sheet	11
Company Balance Sheet	13
Consolidated Statement of Changes in Equity	14
Company Statement of Changes in Equity	15
Consolidated Cash Flow Statement	16
Notes to the Consolidated Cash Flow Statement	17
Notes to the Consolidated Financial Statements	19

SPC CORPORATE LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2023

DIRECTORS:

S Hallas
M Hallas
P M Hallas

REGISTERED OFFICE:

c/o SPC Europe Ltd
SPC UK Cory Way
West Wilts Trading Estate
Westbury
Wiltshire
BA13 4QT

REGISTERED NUMBER:

06706957 (England and Wales)

AUDITORS:

Brosnans
Chartered Accountants
and Statutory Auditors
Birkby House
Bailiff Bridge
Brighouse
West Yorkshire
HD6 4JJ

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

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

REVIEW OF BUSINESS

The company owns 100% of the shares in SPC Europe Limited. The company has consolidated the business of SPC Europe Limited, SPC Jevsa SLU, SPC Compounding India Private Limited, M YSPC Limited and SPC Power Solutions Limited into the group and has benefited from the ownership.

The parent company along with its trading subsidiaries continues the principal activity of the manufacture of rubber compounds. Group turnover for the year was £63,221,049 (2022 - £50,472,625) and pre tax profits were £4,745,684 (2022 - £4,769,056).

The company owns 100% of the shares in SPC Information Systems Limited. This company did not trade during the year ended 31 March 2023.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

PRINCIPAL RISKS AND UNCERTAINTIES

Financial risk management objectives and policies

The group operates in the UK market and overseas. The company seeks to mitigate exposure to all forms of risk both internal and external.

Customers and suppliers

The group is not wholly dependent on any one supplier or customer.

Foreign exchange

The group endeavours to mitigate the risk of foreign exchange fluctuation by balancing its buying and selling in foreign currencies. The necessity to buy forward has been negated and under the very rare occurrence for any small requirement, the Group will spot purchase on the currency exchange

Credit risk

The group carries out credit checks on customers through one of the leading credit checking agencies. All customers are assigned a credit limit and trading terms which are monitored on an on-going basis.

Laws and regulations

The group complies with all relevant regulations to operate within the law and ISO 14001 and ISO 9001 are established and followed along with ISO/TS 166949 certification in SPC Jevsa SLU.

The group takes its health, safety and environmental responsibilities very seriously.

Employees

The average number of employees throughout the year was 173 (2022 - 160).

The group continues to be an Equal Opportunities Employer. In employment related decisions the group complies with anti discrimination requirements concerning matters of race, colour, national origin, marital status, sexual orientation, religious belief, age and physical or mental ability. Disabled people are given full and equal consideration for employment and their development is assisted and encouraged.

ON BEHALF OF THE BOARD:



S Hallas - Director

3 October 2023

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2023**

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

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2023 will be £178,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

S Hallas
M Hallas
P M Hallas

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2023**

AUDITORS

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'Stephen Hallas', written in a cursive style.

S Hallas - Director

3 October 2023

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SPC CORPORATE LIMITED**

Opinion

We have audited the financial statements of SPC Corporate Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 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 the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SPC CORPORATE LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SPC CORPORATE 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:

Audit response to risks identified

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- obtaining an understanding of provisions and held discussions with management to understand the basis of recognition or non-recognition of provisions and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SPC CORPORATE LIMITED**

We also communicated relevant identified laws and regulations to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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



Adam John Brosnan (Senior Statutory Auditor)
for and on behalf of Brosnans
Chartered Accountants
and Statutory Auditors
Birkby House
Bailiff Bridge
Brighouse
West Yorkshire
HD6 4JJ

3 October 2023

**CONSOLIDATED
STATEMENT OF COMPREHENSIVE
INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
TURNOVER	3	63,221,049	50,472,625
Cost of sales		(51,519,894)	(39,161,916)
GROSS PROFIT		11,701,155	11,310,709
Administrative expenses		(7,549,047)	(7,441,134)
		4,152,108	3,869,575
Other operating income		546,232	1,025,300
OPERATING PROFIT	5	4,698,340	4,894,875
Revaluation to fair value	6	258,441	-
		4,956,781	4,894,875
Interest receivable and similar income		10,096	6,103
		4,966,877	4,900,978
Interest payable and similar expenses	7	(221,193)	(131,922)
PROFIT BEFORE TAXATION		4,745,684	4,769,056
Tax on profit	8	(950,593)	(1,083,610)
PROFIT FOR THE FINANCIAL YEAR		3,795,091	3,685,446
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,795,091	3,685,446
Profit attributable to: Owners of the parent		3,795,091	3,685,446
Total comprehensive income attributable to: Owners of the parent		-	-

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 MARCH 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Intangible assets	11	107,628	144,029
Tangible assets	12	12,612,317	9,443,570
Investments	13	-	-
		<u>12,719,945</u>	<u>9,587,599</u>
CURRENT ASSETS			
Stocks	14	7,721,299	7,556,036
Debtors	15	15,864,467	13,416,565
Investments	16	600,000	600,000
Cash at bank and in hand		4,093,918	2,799,481
		<u>28,279,684</u>	<u>24,372,082</u>
CREDITORS			
Amounts falling due within one year	17	(15,684,854)	(15,482,941)
NET CURRENT ASSETS		<u>12,594,830</u>	<u>8,889,141</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>25,314,775</u>	<u>18,476,740</u>
CREDITORS			
Amounts falling due after more than one year	18	(5,396,970)	(2,385,821)
PROVISIONS FOR LIABILITIES	22	(421,680)	(134,353)
NET ASSETS		<u><u>19,496,125</u></u>	<u><u>15,956,566</u></u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET - continued
31 MARCH 2023

	Notes	2023 £	2022 £
CAPITAL AND RESERVES			
Called up share capital	23	12,100	12,100
Fair value reserve	24	180,909	-
Retained earnings	24	19,303,116	15,944,466
		<u>19,496,125</u>	<u>15,956,566</u>
SHAREHOLDERS' FUNDS		<u>19,496,125</u>	<u>15,956,566</u>

The financial statements were approved by the Board of Directors and authorised for issue on 3 October 2023 and were signed on its behalf by:



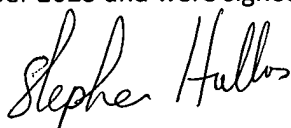
S Hallas - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31 MARCH 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Intangible assets	11	-	-
Tangible assets	12	-	-
Investments	13	351	351
		<u>351</u>	<u>351</u>
CURRENT ASSETS			
Debtors	15	689,513	1,008,243
Investments	16	600,000	600,000
Cash at bank and in hand		26,003	116,202
		<u>1,315,516</u>	<u>1,724,445</u>
CREDITORS			
Amounts falling due within one year	17	(1,011,291)	(1,429,271)
		<u>304,225</u>	<u>295,174</u>
NET CURRENT ASSETS			
		<u>304,225</u>	<u>295,174</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>304,576</u>	<u>295,525</u>
CAPITAL AND RESERVES			
Called up share capital	23	12,100	12,100
Retained earnings	24	292,476	283,425
		<u>304,576</u>	<u>295,525</u>
SHAREHOLDERS' FUNDS		<u>304,576</u>	<u>295,525</u>
Company's profit for the financial year		<u>187,051</u>	<u>647,404</u>

The financial statements were approved by the Board of Directors and authorised for issue on 3 October 2023 and were signed on its behalf by:



S Hallas - Director

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital £	Retained earnings £	Fair value reserve £	Total equity £
Balance at 1 April 2021	12,100	12,857,020	-	12,869,120
Changes in equity				
Dividends	-	(598,000)	-	(598,000)
Total comprehensive income	-	3,685,446	-	3,685,446
Balance at 31 March 2022	<u>12,100</u>	<u>15,944,466</u>	<u>-</u>	<u>15,956,566</u>
Changes in equity				
Dividends	-	(178,000)	-	(178,000)
Total comprehensive income	-	3,536,650	180,909	3,717,559
Balance at 31 March 2023	<u>12,100</u>	<u>19,303,116</u>	<u>180,909</u>	<u>19,496,125</u>

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	12,100	234,021	246,121
Changes in equity			
Dividends	-	(598,000)	(598,000)
Total comprehensive income	-	647,404	647,404
Balance at 31 March 2022	<u>12,100</u>	<u>283,425</u>	<u>295,525</u>
Changes in equity			
Dividends	-	(178,000)	(178,000)
Total comprehensive income	-	187,051	187,051
Balance at 31 March 2023	<u>12,100</u>	<u>292,476</u>	<u>304,576</u>

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	2,818,293	1,173,736
Interest paid		(218,571)	(131,922)
Interest element of hire purchase payments paid		(2,622)	-
Tax paid		(883,768)	(924,994)
Net cash from operating activities		<u>1,713,332</u>	<u>116,820</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(23,390)	-
Purchase of tangible fixed assets		(4,262,284)	(4,113,863)
Sale of tangible fixed assets		508,822	174
Purchase of current asset investments		-	(600,000)
Interest received		10,096	6,103
Net cash from investing activities		<u>(3,766,756)</u>	<u>(4,707,586)</u>
Cash flows from financing activities			
New loans in year		5,877,167	-
Loan repayments in year		(2,531,349)	(992,693)
Amount withdrawn by directors		(66,015)	(214,364)
Exchange difference on fixed assets		(165,833)	15,322
Equity dividends paid		(178,000)	(598,000)
Net cash from financing activities		<u>2,935,970</u>	<u>(1,789,735)</u>
Increase/(decrease) in cash and cash equivalents		<u>882,546</u>	<u>(6,380,501)</u>
Cash and cash equivalents at beginning of year	2	<u>2,799,481</u>	<u>9,179,982</u>
Cash and cash equivalents at end of year	2	<u><u>3,682,027</u></u>	<u><u>2,799,481</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

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

	2023	2022
	£	£
Profit before taxation	4,745,684	4,769,056
Depreciation charges	887,525	823,606
(Profit)/loss on disposal of fixed assets	(77,186)	3,944
Finance costs	221,193	131,922
Finance income	(10,096)	(6,103)
	<u>5,767,120</u>	<u>5,722,425</u>
Increase in stocks	(165,263)	(3,384,107)
Increase in trade and other debtors	(2,406,068)	(2,298,207)
(Decrease)/increase in trade and other creditors	(377,496)	1,133,625
	<u>2,818,293</u>	<u>1,173,736</u>
Cash generated from operations	<u><u>2,818,293</u></u>	<u><u>1,173,736</u></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 31 March 2023

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	4,093,918	2,799,481
Bank overdrafts	(411,891)	-
	<u>3,682,027</u>	<u>2,799,481</u>

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	2,799,481	9,472,917
Bank overdrafts	-	(292,935)
	<u>2,799,481</u>	<u>9,179,982</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank and in hand	2,799,481	1,294,437	4,093,918
Bank overdrafts	-	(411,891)	(411,891)
	<u>2,799,481</u>	<u>882,546</u>	<u>3,682,027</u>
Liquid resources			
Current asset investments	600,000	-	600,000
	<u>600,000</u>	<u>-</u>	<u>600,000</u>
Debt			
Finance leases	-	(349,040)	(349,040)
Debts falling due within 1 year	(1,122,199)	(278,538)	(1,400,737)
Debts falling due after 1 year	(2,385,821)	(2,718,240)	(5,104,061)
	<u>(3,508,020)</u>	<u>(3,345,818)</u>	<u>(6,853,838)</u>
Total	<u>(108,539)</u>	<u>(2,463,272)</u>	<u>(2,571,811)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. STATUTORY INFORMATION

SPC Corporate 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.

The presentation currency of the financial statements is the Pound Sterling (£).

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

2. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

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

TURNOVER

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

GOODWILL

Goodwill, being the amount paid in connection with the acquisition of a business in 2008, is being amortised evenly over its estimated useful life of twenty years.

The goodwill was acquired by a wholly owned subsidiary of the company in 2008. The trade of the subsidiary was hived up during the year and the goodwill is being written down on a continuing basis.

INTANGIBLE ASSETS

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of five years.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Long leasehold	- in accordance with the property and at varying rates on cost
Plant and machinery	- at varying rates on cost
Fixtures and fittings	- at varying rates on cost
Motor vehicles	- 33% on cost
Computer equipment	- 33% on cost and at varying rates on cost

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES - continued

STOCKS

Stocks and work in progress are valued 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 includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

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.

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.

FOREIGN CURRENCIES

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

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

3. **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:

	2023 £	2022 £
United Kingdom	21,905,886	20,004,828
Europe	37,164,212	27,011,258
Rest of World	4,150,951	3,456,539
	<u>63,221,049</u>	<u>50,472,625</u>

4. **EMPLOYEES AND DIRECTORS**

	2023 £	2022 £
Wages and salaries	8,398,892	7,404,675
Social security costs	321,631	334,871
Other pension costs	261,855	236,766
	<u>8,982,378</u>	<u>7,976,312</u>

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

	2023	2022
Administration	45	45
Production	128	115
	<u>173</u>	<u>160</u>

	2023 £	2022 £
Directors' remuneration	941,951	756,657
Directors' pension contributions to money purchase schemes	80,000	80,000
	<u>1,021,951</u>	<u>836,657</u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2023 £	2022 £
Emoluments etc	<u>622,782</u>	<u>1,074,713</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

5. OPERATING PROFIT

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

	2023	2022
	£	£
Depreciation - owned assets	825,786	764,466
(Profit)/loss on disposal of fixed assets	(77,186)	3,944
Goodwill amortisation	22,751	22,751
Computer software amortisation	38,988	36,389
Auditors' remuneration	13,975	10,000
Other auditor services	11,750	12,598
Loss/(Gains) on foreign currency translations	<u>(243,303)</u>	<u>108,498</u>

6. EXCEPTIONAL ITEMS

	2023	2022
	£	£
Revaluation to fair value	<u>258,441</u>	<u>-</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Bank loan interest	168,344	116,436
Factoring charges	50,227	15,486
Hire purchase	2,622	-
	<u>221,193</u>	<u>131,922</u>

8. TAXATION**Analysis of the tax charge**

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

	2023	2022
	£	£
Current tax:		
UK corporation tax	203,425	327,738
Overseas tax	537,375	656,072
Total current tax	<u>740,800</u>	<u>983,810</u>
Deferred tax	<u>209,793</u>	<u>99,800</u>
Tax on profit	<u>950,593</u>	<u>1,083,610</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

8. TAXATION - continued

RECONCILIATION OF TOTAL TAX CHARGE INCLUDED IN PROFIT AND LOSS

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

	2023 £	2022 £
Profit before tax	4,745,684	4,769,056
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	901,680	906,121
Effects of:		
Expenses not deductible for tax purposes	7,474	7,893
Capital allowances in excess of depreciation	(225,041)	(123,419)
Adjustments to tax charge in respect of previous periods subsidiaries	-	187
Deferred tax charge/(credit)	209,793	99,803
Profit on ordinary activities before tax of foreign subsidiary	(480,688)	(463,047)
Overseas tax payable credit	537,375	656,072
Total tax charge	950,593	1,083,610

9. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

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

10. DIVIDENDS

	2023 £	2022 £
Ordinary T shares of 1 each		
Final	128,000	25,000
Ordinary A shares of 1 each		
Final	-	400,000
Ordinary J shares of £1 each		
Final	50,000	173,000
	178,000	598,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

11. INTANGIBLE FIXED ASSETS**Group**

	Goodwill £	Computer software £	Totals £
COST			
At 1 April 2022	345,042	197,906	542,948
Additions	-	23,390	23,390
Exchange differences	-	8,219	8,219
	<hr/>	<hr/>	<hr/>
At 31 March 2023	345,042	229,515	574,557
	<hr/>	<hr/>	<hr/>
AMORTISATION			
At 1 April 2022	273,298	125,621	398,919
Amortisation for year	22,751	38,988	61,739
Exchange differences	-	6,271	6,271
	<hr/>	<hr/>	<hr/>
At 31 March 2023	296,049	170,880	466,929
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 March 2023	48,993	58,635	107,628
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2022	71,744	72,285	144,029
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

12. TANGIBLE FIXED ASSETS

Group	Freehold property £	Long leasehold £	Plant and machinery £
COST			
At 1 April 2022	3,719,099	2,534,281	11,631,074
Additions	2,109,021	-	1,740,351
Disposals	-	-	(443,976)
Exchange differences	145,539	-	163,130
	<hr/>	<hr/>	<hr/>
At 31 March 2023	5,973,659	2,534,281	13,090,579
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 April 2022	121,006	609,770	8,396,884
Charge for year	114,347	89,862	363,475
Eliminated on disposal	-	-	(13,025)
Exchange differences	4,735	-	143,774
	<hr/>	<hr/>	<hr/>
At 31 March 2023	240,088	699,632	8,891,108
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 March 2023	5,733,571	1,834,649	4,199,471
	<hr/>	<hr/>	<hr/>
At 31 March 2022	3,598,093	1,924,511	3,234,190
	<hr/>	<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

12. TANGIBLE FIXED ASSETS - continued

Group

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 April 2022	1,281,370	417,409	208,219	19,791,452
Additions	82,826	307,950	22,136	4,262,284
Disposals	(1,187)	(85,876)	-	(531,039)
Exchange differences	7,866	966	-	317,501
At 31 March 2023	1,370,875	640,449	230,355	23,840,198
DEPRECIATION				
At 1 April 2022	973,355	211,898	34,969	10,347,882
Charge for year	121,018	113,347	23,737	825,786
Eliminated on disposal	-	(86,378)	-	(99,403)
Exchange differences	4,849	258	-	153,616
At 31 March 2023	1,099,222	239,125	58,706	11,227,881
NET BOOK VALUE				
At 31 March 2023	271,653	401,324	171,649	12,612,317
At 31 March 2022	308,015	205,511	173,250	9,443,570

13. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 April 2022 and 31 March 2023	351
NET BOOK VALUE	
At 31 March 2023	351
At 31 March 2022	351

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

13. FIXED ASSET INVESTMENTS - continued

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

SUBSIDIARIES**SPC Europe Limited**

Registered office: SPC UK, Cory Way, West Wilts Trading Estate, Westbury, Wiltshire, BA13 4QT, England

Nature of business: Manufacture of rubber compounds

	%		
Class of shares:	holding		
Ordinary	100.00		
		2023	2022
		£	£
Aggregate capital and reserves		11,926,296	10,311,609
Profit for the year		1,892,587	2,302,372
		<u> </u>	<u> </u>

SPC Jevsa SL

Registered office: Ploigono Industrial Aquiberia, Calle Zenc, 4-6, 08755 Castellbisbal, Barcelona, Spain

Nature of business: Manufacture of rubber compounds

	%		
Class of shares:	holding		
Equity	100.00		
		2023	2022
		£	£
Aggregate capital and reserves		7,722,331	5,876,083
Profit for the year		1,616,300	1,972,465
		<u> </u>	<u> </u>

ATR Compounding Limited

Registered office: SPC UK, Cory Way, West Wilts Trading Estate, Westbury, Wiltshire, BA13 4QT, England

Nature of business: Manufacture of rubber compounds

	%		
Class of shares:	holding		
Ordinary	100.00		
		2023	2022
		£	£
Aggregate capital and reserves		100	100
		<u> </u>	<u> </u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

13. FIXED ASSET INVESTMENTS - continued

SPC Compounding India Private Limited

Registered office: Wing A, Flat No-2, Shriniwas Villa, S No 34/12, Pune 411004, India

Nature of business: Manufacture of rubber compounds

	% holding	2023 £	2022 £
Class of shares:			
Ordinary	99.90		
Aggregate capital and reserves		(172,496)	(172,324)
Loss for the year		(3,356)	(89,160)

SPC Information Systems Limited

Registered office: SPC UK, Cory Way, West Wilts Trading Estate, Westbury, Wiltshire, BA13 4QT, England

Nature of business: Dormant Company

	% holding	2023 £	2022 £
Class of shares:			
Ordinary	51.00		
Aggregate capital and reserves		100	100

SPC Power Solutions Limited

Registered office: SPC UK, Cory Way, West Wilts Trading Estate, Westbury, Wiltshire, BA13 4QT, England

Nature of business: Supply of power transformers

	% holding	2023 £	2022 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(113,748)	(113,747)
Loss for the year		-	(1,046)

SPC IP Limited

Registered office: SPC UK, Cory Way, West Wilts Trading Estate, Westbury, Wiltshire, BA13 4QT, England

Nature of business: Dormant Company

	% holding	2023 £	2022 £
Class of shares:			
Aggregate capital and reserves		5,881	4,996
Profit for the year		885	2,653

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

13. FIXED ASSET INVESTMENTS - continued

M YSPC Limited

Registered office: Commerce House, 1 Bowring Road, Ramsey, Isle of Man, IM8 2LQ

Nature of business: Hire of Aircraft

	% holding	2023 £	2022 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(103,231)	(19,971)
Loss for the year		(24,035)	(19,972)

14. STOCKS

	Group	
	2023 £	2022 £
Raw materials	7,026,438	6,708,464
Work-in-progress	132,688	249,868
Finished goods	562,173	597,704
	<u>7,721,299</u>	<u>7,556,036</u>

Stock recognised as cost of sales in the year amounted to £40,961,379 (2022 - £30,648,076).

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	14,407,033	12,478,260	-	-
Amounts owed by group undertakings	-	-	689,311	953,900
Other debtors	999,455	396,826	-	-
Directors' current accounts	41,834	-	-	-
Prepayments and accrued income	416,145	541,479	202	54,343
	<u>15,864,467</u>	<u>13,416,565</u>	<u>689,513</u>	<u>1,008,243</u>

The directors current account was repaid after the year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

16. CURRENT ASSET INVESTMENTS

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Listed investments	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>

Market value of listed investments at 31 March 2023 held by the group and the company - £556,625

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans and overdrafts (see note 19)	1,812,628	1,122,199	-	-
Hire purchase contracts (see note 20)	56,131	-	-	-
Trade creditors	10,492,905	11,157,674	3,161	391,316
Amounts owed to group undertakings	-	-	999,478	1,024,965
Tax	277,066	420,034	-	-
Social security and other taxes	184,720	165,276	-	-
VAT	704,597	484,220	240	240
Other creditors	695,685	614,535	-	-
Directors' current accounts	1,217	25,400	-	-
Accruals and deferred income	1,459,905	1,493,603	8,412	12,750
	<u>15,684,854</u>	<u>15,482,941</u>	<u>1,011,291</u>	<u>1,429,271</u>

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

	Group	
	2023	2022
	£	£
Bank loans (see note 19)	5,104,061	2,385,821
Hire purchase contracts (see note 20)	292,909	-
	<u>5,396,970</u>	<u>2,385,821</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

19. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2023	2022
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	411,891	-
Bank loans	1,400,737	1,122,199
	<u>1,812,628</u>	<u>1,122,199</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>1,243,068</u>	<u>926,605</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>3,860,993</u>	<u>1,459,216</u>

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group		Hire purchase contracts	
		2023	2022
		£	£
Net obligations repayable:			
Within one year		56,131	-
Between one and five years		292,909	-
		<u>349,040</u>	<u>-</u>
Group			
		Non-cancellable operating leases	
		2023	2022
		£	£
Within one year		375,737	282,604
Between one and five years		526,257	420,529
		<u>901,994</u>	<u>703,133</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

21. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2023	2022
	£	£
Bank overdraft	411,891	-
Bank loans	6,504,798	3,508,020
	<u>6,916,689</u>	<u>3,508,020</u>

The Bank holds a debenture over the assets of the company, and cross guarantees entered into between the company and its subsidiary.

During the year the subsidiary SPC Jevsa SL acquired a mortgage of €5.4 million repayable over 12 years and an additional bank loan of €906,100 repayable over 6 years. Both are at variable rates of interest.

22. PROVISIONS FOR LIABILITIES

	Group	
	2023	2022
	£	£
Deferred tax	<u>421,680</u>	<u>134,353</u>

Group	Deferred tax £
Balance at 1 April 2022	134,353
Accelerated capital allowances	<u>287,327</u>
Balance at 31 March 2023	<u>421,680</u>

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
100	Ordinary T	1	100	100
10,000	Ordinary A	1	10,000	10,000
1,000	Ordinary P	1	1,000	1,000
1,000	Ordinary J	£1	1,000	1,000
			<u>12,100</u>	<u>12,100</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

24. RESERVES**Group**

	Retained earnings £	Fair value reserve £	Totals £
At 1 April 2022	15,944,466	-	15,944,466
Profit for the year	3,795,091		3,795,091
Dividends	(178,000)		(178,000)
Revaluation to fair value	(258,441)	180,909	(77,532)
	<u>19,303,116</u>	<u>180,909</u>	<u>19,484,025</u>
At 31 March 2023	<u>19,303,116</u>	<u>180,909</u>	<u>19,484,025</u>

Company

	Retained earnings £
At 1 April 2022	283,425
Profit for the year	187,051
Dividends	(178,000)
	<u>292,476</u>
At 31 March 2023	<u>292,476</u>

25. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. Contributions payable to the pension scheme during the year were £261,855 (2022 - £236,766). No amounts were outstanding at the balance sheet date.

26. ULTIMATE PARENT COMPANY

SPC Corporate Limited is regarded by the directors as being the company's ultimate parent company.

27. RELATED PARTY DISCLOSURES

The company was under the control of Mr S Hallas throughout the year. Mr S Hallas is the managing director and majority shareholder.

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

Debtors includes directors loans due of £40,617 which was repaid after the year end.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

28. ULTIMATE CONTROLLING PARTY

The controlling party is S Hallas.