

Company registration number 07703730 (England and Wales)

RAPIER STAR LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

RAPIER STAR LIMITED

COMPANY INFORMATION

Directors	Mr D Furness Mrs R Furness Mr M Furness Mr S Rogers
Company number	07703730
Registered office	Star Business Park Congleton Road Macclesfield Cheshire SK11 9JA
Auditor	Afford Bond Holdings Limited 31 Wellington Road Nantwich Cheshire CW5 7ED
Business address	Star Business Park Congleton Road Macclesfield Cheshire SK11 9JA

RAPIER STAR LIMITED

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RAPIER STAR LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Review of the business

The directors aim to present a balanced review of the development and performance of the business during the period and of the company's position at the period end. Our review is consistent with the size and non-complex nature of the business and is written in the context of the risks and uncertainties facing the company.

The company operates from premises at Star Business Park, Congleton, Macclesfield, Cheshire, supplying specialist screws and fixings throughout the UK. The directors consider the key accounting indicators are those that communicate the financial performance and strength of the company as a whole, being turnover, gross profit and shareholders' funds.

The turnover increased by £1,365,360 during 2022 compared with 2021; the gross profit increased by £578,701.

The profit before tax was £1,759,580. After taxation and dividends, shareholders' funds were £68,413. The results for the period and the financial position at the period end were considered satisfactory by the directors, who anticipate continued growth in the foreseeable future.

The main risks and uncertainties, set out below, though not an exhaustive list but which could affect group performance include:-

1. Economic conditions: The economy and Inflation continues to dominate the headlines and can have a negative impact on customer confidence.
2. Manufacturer/Customer relationships: UK performance may be influenced by the operations and strategy of the manufacturers/customers they deal with. This risk is mitigated by the company operating and diversifying its business nationally.
3. Liquidity: The company finances its business using a mixture of retained profits, trade credit funding and a group banking facility. It is considered that the company will operate within these facilities.

The business environment within specialist screws and fixings continues to be intensely challenging. The sector is extremely competitive and margins continue to be under pressure. Market spending and changing economic patterns can easily affect the industry.

With these risks and uncertainties in mind, the directors are aware that any plans for the future development of the group may be subject to unforeseen future events outside of their control.

On behalf of the board

Mr D Furness
Director

28 June 2023

RAPIER STAR LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activities

The principal activity is that of the design and manufacture of specialist screws and fixings.

Directors

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

Mr D Furness
Mrs R Furness
Mr M Furness
Mr S Rogers

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £1,740,000. The directors do not recommend payment of a final dividend.

Auditor

The auditors, Afford Bond Holdings Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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.

RAPIER STAR LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Mr D Furness

Director

28 June 2023

RAPIER STAR LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAPIER STAR LIMITED

Opinion

We have audited the financial statements of Rapier Star Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of income and retained earnings, the balance sheet, 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.

RAPIER STAR LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RAPIER STAR LIMITED

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 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.

Extent to which the audit was considered capable of disclosing irregularities including fraud.

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.

The auditor's explanation of its audit response will depend on the risks identified but may include:

- Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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.

RAPIER STAR LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF RAPIER STAR LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

Thomas Hornbuckle BA(Hons) FCA
Senior Statutory Auditor
For and on behalf of Afford Bond Holdings Limited

28 June 2023

Chartered Accountants
Statutory Auditor

31 Wellington Road
Nantwich
Cheshire
CW5 7ED

RAPIER STAR LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	12,498,781	11,133,421
Cost of sales		(7,927,847)	(7,141,188)
Gross profit		4,570,934	3,992,233
Administrative expenses		(2,797,866)	(2,619,088)
Other operating income		-	114,384
Operating profit		1,773,068	1,487,529
Interest payable and similar expenses	6	(13,488)	(14,570)
Profit before taxation		1,759,580	1,472,959
Tax on profit	7	(30,181)	(19,901)
Profit for the financial year		1,729,399	1,453,058
Retained earnings brought forward		79,013	65,955
Dividends	8	(1,740,000)	(1,440,000)
Retained earnings carried forward		68,412	79,013

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

RAPIER STAR LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Fixed assets			
Tangible assets	9	656,188	671,248
Current assets			
Debtors	10	6,575,399	4,344,297
Cash at bank and in hand		1,274,835	1,352,759
		<u>7,850,234</u>	<u>5,697,056</u>
Creditors: amounts falling due within one year	11	<u>(2,631,486)</u>	<u>(1,964,168)</u>
Net current assets		<u>5,218,748</u>	<u>3,732,888</u>
Total assets less current liabilities		<u>5,874,936</u>	<u>4,404,136</u>
Creditors: amounts falling due after more than one year	13	<u>(5,806,523)</u>	<u>(4,325,122)</u>
Net assets		<u><u>68,413</u></u>	<u><u>79,014</u></u>
Capital and reserves			
Called up share capital	16	1	1
Profit and loss reserves		<u>68,412</u>	<u>79,013</u>
Total equity		<u><u>68,413</u></u>	<u><u>79,014</u></u>

The financial statements were approved by the board of directors and authorised for issue on 28 June 2023 and are signed on its behalf by:

Mr D Furness
Director

Company Registration No. 07703730

RAPIER STAR LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	18	2,009,079		1,970,392	
Interest paid		(13,488)		(14,570)	
Income taxes (paid)/refunded		(3,205)		161,225	
Net cash inflow from operating activities		<u>1,992,386</u>		<u>2,117,047</u>	
Investing activities					
Purchase of tangible fixed assets		(5,310)		(177,984)	
Net cash used in investing activities			(5,310)		(177,984)
Financing activities					
Repayment of bank loans		(325,000)		(150,000)	
Dividends paid		(1,740,000)		(1,440,000)	
Net cash used in financing activities		<u>(2,065,000)</u>		<u>(1,590,000)</u>	
Net (decrease)/increase in cash and cash equivalents			(77,924)		349,063
Cash and cash equivalents at beginning of year		<u>1,352,759</u>		<u>1,003,696</u>	
Cash and cash equivalents at end of year		<u><u>1,274,835</u></u>		<u><u>1,352,759</u></u>	

RAPIER STAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Rapier Star Limited is a private company limited by shares incorporated in England and Wales. The registered office is Star Business Park, Congleton Road, Macclesfield, Cheshire, SK11 9JA.

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.

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 trade discounts. The policies adopted for the recognition of turnover are as follows:

Turnover from the sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred in respect of the transaction can be measured reliably. This is usually on dispatch of the goods.

1.4 Tangible fixed assets

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 improvements	2% Straight Line
Fixtures, fittings & equipment	25% Straight Line

1.5 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.

RAPIER STAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

1.6 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.

1.7 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.

RAPIER STAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

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.

1.8 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.

RAPIER STAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.9 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.10 Taxation

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

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.

1.11 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.

1.12 Retirement benefits

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

1.13 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.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

RAPIER STAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022 £	2021 £
Turnover analysed by class of business		
Specialist screws and fixings	12,498,781	11,133,421
	<u>12,498,781</u>	<u>11,133,421</u>
	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom and Europe	12,498,781	11,133,421
	<u>12,498,781</u>	<u>11,133,421</u>
	2022 £	2021 £
Other revenue		
Grants received	-	114,384
	<u>-</u>	<u>114,384</u>

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was 30 (2021: 29).

	2022 Number	2021 Number
Directors	4	4
Administration	5	5
Operations	17	16
Sales	4	4
	<u>30</u>	<u>29</u>
Total	30	29

RAPIER STAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Employees (Continued)

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	1,796,879	1,677,901
Social security costs	232,257	206,388
Pension costs	14,505	13,773
	<u>2,043,641</u>	<u>1,898,062</u>

5 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	<u>1,035,940</u>	<u>1,095,916</u>

The company's key management are its directors.

6 Interest payable and similar expenses

	2022 £	2021 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	<u>13,488</u>	<u>14,570</u>

7 Taxation

	2022 £	2021 £
Deferred tax		
Origination and reversal of timing differences	<u>30,181</u>	<u>19,901</u>

RAPIER STAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Taxation

(Continued)

The actual 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	1,759,580	1,472,959
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	334,320	279,862
Tax effect of expenses that are not deductible in determining taxable profit	2,220	1,419
Other non-reversing timing differences	(336,540)	(281,281)
Deferred tax adjustments in respect of prior years	30,181	19,901
Taxation charge for the year	30,181	19,901

8 Dividends

	2022 £	2021 £
Interim paid	1,740,000	1,440,000

9 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2022	679,112	21,841	700,953
Additions	-	5,310	5,310
At 31 December 2022	679,112	27,151	706,263
Depreciation and impairment			
At 1 January 2022	24,024	5,681	29,705
Depreciation charged in the year	13,582	6,788	20,370
At 31 December 2022	37,606	12,469	50,075
Carrying amount			
At 31 December 2022	641,506	14,682	656,188
At 31 December 2021	655,088	16,160	671,248

RAPIER STAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	1,872,711	1,746,164
Amounts owed by group undertakings	4,599,331	2,492,179
Other debtors	31,279	-
Prepayments and accrued income	72,078	75,773
	<u>6,575,399</u>	<u>4,314,116</u>
Deferred tax asset (note 14)	-	30,181
	<u>6,575,399</u>	<u>4,344,297</u>

11 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	12	300,000	300,000
Trade creditors		67,663	12,584
Amounts owed to group undertakings		109,211	698,820
Corporation tax		-	3,205
Other taxation and social security		552,338	609,921
Other creditors		1,465,546	197,574
Accruals and deferred income		136,728	142,064
		<u>2,631,486</u>	<u>1,964,168</u>

12 Loans and overdrafts

	2022 £	2021 £
Bank loans	<u>1,025,000</u>	<u>1,350,000</u>
Payable within one year	300,000	300,000
Payable after one year	<u>725,000</u>	<u>1,050,000</u>

13 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans and overdrafts	725,000	1,050,000
Amounts owed to group undertakings	<u>5,081,523</u>	<u>3,275,122</u>
	<u>5,806,523</u>	<u>4,325,122</u>

RAPIER STAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Creditors: amounts falling due after more than one year

(Continued)

Included in bank borrowings are amounts of £1,025,000 (2021 £1,350,000) owing to The Royal Bank of Scotland plc which is secured by way of a fixed and floating charge over property and assets present and future and a cross guarantee.

14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2022 £	Assets 2021 £
Balances:		
Advance capital allowances	-	30,181
	<u> </u>	<u> </u>
		2022 £
Movements in the year:		
Asset at 1 January 2022		(30,181)
Charge to profit or loss		30,181
		<u> </u>
Liability at 31 December 2022		-
		<u> </u>

15 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	14,505	13,773
	<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.

16 Share capital

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

In the opinion of the directors the ultimate holding company is Rapier Star Holdings Limited, a company registered in England and under the control of Mr D J Furness and Mrs R J Furness.

RAPIER STAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Financial commitments, guarantees and contingent liabilities

At the reporting end date the company had outstanding commitments for future minimum lease payments totalling £67,368 (2021: £66,500)

The company is subject to a cross guarantee, which includes a fixed and floating charge over the company's assets, in connection to advances by The Royal Bank of Scotland plc to Rapier Star Holdings Limited and its subsidiaries.

As at 31 December 2022, the gross indebtedness owing to The Royal Bank of Scotland plc by Rapier Star Holdings Limited and its subsidiaries totalled £1,025,000 (2021: £1,350,000).

18 Cash generated from operations

	2022 £	2021 £
Profit for the year after tax	1,729,399	1,453,058
Adjustments for:		
Taxation charged	30,181	19,901
Finance costs	13,488	14,570
Depreciation and impairment of tangible fixed assets	20,370	19,042
Movements in working capital:		
Increase in debtors	(2,261,283)	(2,147,427)
Increase in creditors	2,476,924	2,611,248
Cash generated from operations	2,009,079	1,970,392

19 Analysis of changes in net funds

	1 January 2022 £	Cash flows £	31 December 2022 £
Cash at bank and in hand	1,352,759	(77,924)	1,274,835
Borrowings excluding overdrafts	(1,350,000)	325,000	(1,025,000)
	2,759	247,076	249,835

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