

Registered number: 09382725

Automated Materials Handling Life Services Limited

Directors' Report and Financial Statements

For the Year Ended 31 January 2022



 **DAINS**

Automated Materials Handling Life Services Limited

Company Information

Directors	M J Ryan A P Carler M Armitt
Registered number	09382725
Registered office	Hales Court Stourbridge Road Halesowen B63 3TT
Independent auditors	Dains Audit Limited 15 Colmore Row Birmingham B3 2BH
Accountants	Godfrey Mansell & Co Hales Court Stourbridge Road Halesowen B63 3TT

Automated Materials Handling Life Services Limited

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Automated Materials Handling Life Services Limited

Strategic Report For the Year Ended 31 January 2022

Introduction

The Directors present their strategic report for the Company for the year ended 31st January 2022.

Principal activity

The principal activity of the Company during the year continued to be that of the supply, installation and maintenance of conveyor and other material handling systems.

Business review

We aim to present a balanced and comprehensive review of the development and performance of the Company during the year and its position at the year end. Our review is consistent with the size and non-complex nature of the Company and is written in the context of the risks and uncertainties we face.

The Company's turnover has increased against the prior year. Relationships with customers and suppliers remain strong and the Company continues to work closely with both. Directors are confident that the outlook remains positive and cashflow remains strong with no payment delays.

The supply of high quality conveyor and material handling systems backed up with excellent supports services to accompany these systems, is key to maintaining the strong relationships with our customers and is also attractive in developing new business domestically as well as overseas.

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the Company as a whole against prior years and competitors, these being turnover and gross profit, as follows:

	2022	2021
Turnover (£'000)	17,783	11,697
Gross Profit (£'000)	5,717	2,942
Gross Profit (%)	32.1	25.2

Principal risks and uncertainties

The Directors are of the opinion that there are no specific risks attributable to the Company which need to be highlighted, other than normal commercial risks. Risks to the business are reported and reviewed at regular meetings of the directors and risk mitigation strategies are implemented as appropriate.

The Directors continually review the risks to the Company but believe that the quality of the Company's products and customer service will mitigate these risks resulting in continued growth and satisfactory trading performance.

As for many companies of our size, the business environment in which we operate continues to be challenging. With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control. However we will continue to show flexibility and respond to market conditions and opportunities as they arise.

The Company's principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility. All of the Company's cash balances are held in such a way that achieves a competitive rate of interest.

Automated Materials Handling Life Services Limited

Strategic Report (continued) For the Year Ended 31 January 2022

Principal risks and uncertainties (continued)

Trade debtors are managed in respect of credit and cash flow risks by policies concerning the credit offered to customers and regular monitoring of the amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Future developments

The Company believes that the material handling equipment market provides many opportunities that allow its ongoing progress. The services that the Company provides are important to its customers' product offer and the programme of continuously developing existing ranges will aid the facilitation of the Company in its growth.

This report was approved by the board on 26 April 2022 and signed on its behalf.


M J Ryan
Director

Automated Materials Handling Life Services Limited

Directors' Report For the Year Ended 31 January 2022

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

Directors

The directors who served during the year were:

M J Ryan
A P Carter
M Armitt

Results and dividends

The profit for the year, after taxation, amounted to £3,978,029 (2021 - £1,746,889).

The Company paid dividends of £1,814,438 (2021 - £1,610,298) in the year.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company's financial statements 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 to 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.

Matters covered in the Strategic Report

See the Strategic Report for details of the Business review, details of Principal risks and uncertainties and an indication of Future developments.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Automated Materials Handling Life Services Limited

**Directors' Report (continued)
For the Year Ended 31 January 2022**

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Dains Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26 April 2022 and signed on its behalf.


M J Ryan
Director

Opinion

We have audited the financial statements of Automated Materials Handling Life Services Limited (the 'Company') for the year ended 31 January 2022, which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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 Company's affairs as at 31 January 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

Automated Materials Handling Life Services Limited

Independent Auditors' Report to the Members of Automated Materials Handling Life Services Limited (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Opinion 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 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.

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 set out on page 3, 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.

**Independent Auditors' Report to the Members of Automated Materials Handling Life Services Limited
(continued)**

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 an Auditors' 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:

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

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the engineering sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Automated Materials Handling Life Services Limited

Independent Auditors' Report to the Members of Automated Materials Handling Life Services Limited (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

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 Auditors' 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.

Dains Audit Limited

Mark Gurney FCCA (Senior Statutory Auditor)

for and on behalf of

Dains Audit Limited

Statutory Auditor

Chartered Accountants

Birmingham

26 April 2022

Automated Materials Handling Life Services Limited

Profit and Loss Account For the Year Ended 31 January 2022

	Note	2022 £	As restated 2021 £
Turnover	4	17,783,815	11,697,538
Cost of sales		(12,066,692)	(8,755,495)
Gross profit		5,717,123	2,942,043
Administrative expenses		(844,192)	(1,184,223)
Other operating income	5	1,366	-
Operating profit	6	4,874,297	1,757,820
Interest receivable and similar income	10	3,361	6,510
Profit before tax		4,877,658	1,764,330
Tax on profit	11	(899,629)	(17,441)
Profit for the financial year		3,978,029	1,746,889

The notes on pages 13 to 24 form part of these financial statements.

Automated Materials Handling Life Services Limited

**Statement of Comprehensive Income
For the Year Ended 31 January 2022**

	2022	As restated
	£	2021
		£
Profit for the financial year	3,978,029	1,746,889
	<hr/>	<hr/>
Other comprehensive income		

The notes on pages 13 to 24 form part of these financial statements.

Automated Materials Handling Life Services Limited
Registered number:09382725

Balance Sheet
As at 31 January 2022

	Note	2022 £	As restated 2021 £
Fixed assets			
Tangible assets	13	83,388	104,397
Current assets			
Debtors: amounts falling due within one year	14	2,437,163	2,228,425
Cash at bank and in hand	15	6,165,012	4,830,084
		<u>8,602,175</u>	<u>7,058,509</u>
Creditors: amounts falling due within one year	16	(3,947,623)	(4,588,557)
Net current assets		<u>4,654,552</u>	<u>2,469,952</u>
Net assets		<u><u>4,737,940</u></u>	<u><u>2,574,349</u></u>
Capital and reserves			
Called up share capital	18	1	1
Profit and loss account	19	4,737,939	2,574,348
		<u><u>4,737,940</u></u>	<u><u>2,574,349</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 April 2022.


M J Ryan
 Director

The notes on pages 13 to 24 form part of these financial statements.

Automated Materials Handling Life Services Limited

Statement of Changes in Equity For the Year Ended 31 January 2022

	Called up share capital £	Profit and loss account £	Total equity £
At 1 February 2020	1	2,437,757	2,437,758
Profit for the year	-	1,746,889	1,746,889
Dividends: Equity capital	-	(1,610,298)	(1,610,298)
At 1 February 2021 (as previously stated)	1	3,250,869	3,250,870
Prior year adjustment	-	(676,521)	(676,521)
At 1 February 2021 (as restated)	1	2,574,348	2,574,349
Profit for the year	-	3,978,029	3,978,029
Dividends: Equity capital	-	(1,814,438)	(1,814,438)
At 31 January 2022	1	4,737,939	4,737,940

The notes on pages 13 to 24 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 January 2022**

1. General information

Automated Materials Handling Life Services Limited is a private company, limited by shares and incorporated in England and Wales.

The Company's registered office is given on the Company Information page.

The nature of the Company's operation and its principal activities are set out in the Strategic Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in the Company's functional currency of GBP (Sterling). They are prepared to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of MAM Automation Limited as at 31 January 2022 and these financial statements may be obtained from Hales Court, Stourbridge Road, Halesowen, West Midlands, B63 3TT.

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2. Accounting policies (continued)

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

2.6 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements
For the Year Ended 31 January 2022

2. Accounting policies (continued)

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	25% reducing balance
Motor vehicles	-	25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short-term creditors are measured at the transaction price.

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, and loans to and from group undertakings.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Notes to the Financial Statements
For the Year Ended 31 January 2022

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts 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.

When calculating deferred income, management considers the costs to complete a project, the stage of completion, and the costs incurred to date on each project. The stage of completion is applied to the contract value and compared to the work billed to date to derive the income to be captured in future periods. The stage of completion of contract activity is determined by reference to the proportion of costs incurred compared to the estimated total costs. Costs incurred for work performed to date include labour, materials and general and administrative expenses and do not include costs relating to future activity. Management estimates the profit on a contract as the difference between the total expected revenue and the expected costs to complete a contract and recognises that profit over the life of the contract. Management will review and when necessary, revise the estimates of revenue and costs as the contract progresses. Amounts are billed as work progresses in accordance with agreed-upon contractual terms.

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

4. Turnover

The whole of the turnover is attributable to the principal activity of the Company.

	2022 £	As restated 2021 £
United Kingdom	17,507,280	11,697,538
Rest of Europe	276,535	-
	<u>17,783,815</u>	<u>11,697,538</u>

5. Other operating income

	2022 £	2021 £
Other operating income	150	-
Government grants receivable	1,216	-
	<u>1,366</u>	<u>-</u>

Automated Materials Handling Life Services Limited

Notes to the Financial Statements For the Year Ended 31 January 2022

6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible assets	32,120	43,757
Exchange differences	9,591	-
Other operating lease rentals	38,079	23,000
Defined contribution scheme pension costs	91,576	83,471
	<u> </u>	<u> </u>

7. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	13,500	12,750
	<u> </u>	<u> </u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2022 £	2021 £
Wages and salaries	3,262,066	2,962,832
Social security costs	341,486	321,160
Cost of defined contribution scheme	91,576	83,471
	<u> </u>	<u> </u>
	<u>3,695,128</u>	<u>3,367,463</u>

The average monthly number of employees, including directors, during the year was 72 (2021 - 60).

Automated Materials Handling Life Services Limited

Notes to the Financial Statements For the Year Ended 31 January 2022

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	126,304	649,878
Company contributions to defined contribution pension schemes	3,296	8,794
	<u>129,600</u>	<u>658,672</u>

During the year retirement benefits were accruing to 3 directors (2021 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £50,304 (2021 - £255,632).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,870 (2021 - £1,343).

10. Interest receivable

	2022 £	2021 £
Other interest receivable	3,361	6,510
	<u>3,361</u>	<u>6,510</u>

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	897,160	120,233
Adjustments in respect of previous periods	-	(100,593)
Total current tax	<u>897,160</u>	<u>19,640</u>
Deferred tax		
Origination and reversal of timing differences	2,469	(2,199)
Total deferred tax	<u>2,469</u>	<u>(2,199)</u>
Taxation on profit	<u>899,629</u>	<u>17,441</u>

Notes to the Financial Statements
For the Year Ended 31 January 2022

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	As restated 2021 £
Profit before tax	4,877,658	1,764,330
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	926,755	335,223
Effects of:		
Expenses not deductible for tax purposes	(6,589)	2,328
Adjustments to tax charge in respect of prior periods	-	(100,593)
Other timing differences	(20,537)	(7,657)
Tax deduction arising from exercise of employee options	-	(241,293)
Unrelieved tax losses carried forward	-	29,433
Total tax charge for the year	899,629	17,441

Factors that may affect future tax charges

The rate of tax applied to the reported profit is 19.00% (2021 - 19.00%). The rate of tax as introduced in the Finance Act 2022 will remain unchanged for the financial year 2023.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%.

Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements. There is no expiry date on timing differences, unused tax losses or tax credits.

12. Dividends

	2022 £	2021 £
Ordinary shares - £1,814,438 per share (2021 - £1,610,298 per share)	1,814,438	1,610,298

Automated Materials Handling Life Services Limited

Notes to the Financial Statements For the Year Ended 31 January 2022

13. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
Cost			
At 1 February 2021	13,700	139,182	152,882
Additions	-	24,083	24,083
Disposals	-	(30,750)	(30,750)
At 31 January 2022	13,700	132,515	146,215
Depreciation			
At 1 February 2021	7,921	40,564	48,485
Charge for the year	1,445	30,675	32,120
Disposals	-	(17,778)	(17,778)
At 31 January 2022	9,366	53,461	62,827
Net book value			
At 31 January 2022	4,334	79,054	83,388
At 31 January 2021	5,779	98,618	104,397

14. Debtors

	2022 £	2021 £
Trade debtors	1,312,727	1,707,805
Amounts owed by group undertakings	15,947	87,476
Other debtors	5,306	410,109
Prepayments and accrued income	1,098,734	16,117
Deferred taxation	4,449	6,918
	2,437,163	2,228,425

Automated Materials Handling Life Services Limited

Notes to the Financial Statements For the Year Ended 31 January 2022

15. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	6,165,012	4,830,084
	<u>6,165,012</u>	<u>4,830,084</u>

16. Creditors: Amounts falling due within one year

	2022 £	As restated 2021 £
Trade creditors	1,714,289	1,031,025
Other taxation and social security	124,042	367,952
Other creditors	25,746	3,156
Accruals and deferred income	2,083,546	3,186,424
	<u>3,947,623</u>	<u>4,588,557</u>

17. Deferred taxation

	2022 £	2021 £
At beginning of year	6,918	4,719
Utilised in year	(2,469)	2,199
At end of year	<u>4,449</u>	<u>6,918</u>

The deferred tax asset is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	4,449	6,918
	<u>4,449</u>	<u>6,918</u>

Automated Materials Handling Life Services Limited

Notes to the Financial Statements For the Year Ended 31 January 2022

18. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1 (2021 - 1) Ordinary share of £1.00	1	1

19. Reserves

Profit and loss account

The profit and loss account reserve represents the cumulative profits and losses, net of dividends paid and other adjustments.

20. Prior year adjustment

In 2022, the Company has identified a material prior period error within deferred income as at 31 January 2021. The adjustments to correct the errors have been processed and have resulted in a reduction in the profit for the years ended 31 January 2021 of £835,211 and has had the subsequent effect of reducing taxation by £158,690. This has also resulted in a reduction of the net assets previously reported for the Company by £676,521.

21. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £91,576 (2021 - £83,471). Amounts outstanding at the balance sheet date amounted to £21,806 (2021 - £16,633).

22. Commitments under operating leases

At 31 January 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	48,850	23,000
Later than 1 year and not later than 5 years	55,551	44,083
	104,401	67,083

23. Related party transactions

The Company has taken advantage of the exemption available within Financial Reporting Standard 102, section 33 'Related Party Disclosures', not to disclose transactions with other group companies as 100% of the voting rights are controlled within the group headed by MAM Automation Limited; for which consolidated financial statements are publicly available at the ultimate parent company's registered address: Hales Court, Stourbridge Road, Halesowen, West Midlands, B63 3TT.

24. Controlling party

The immediate and ultimate parent company is MAM Automation Limited, a company incorporated in England and Wales.

There is no one ultimate controlling party.