Company Registration No. 12012631 (England and Wales)

OLDHAM SEALS GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

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OLDHAM SEALS GROUP LIMITED

COMPANY INFORMATION

Directors	Mr C G R Oldham Mr N P Oldham Mr N Holloway Mr M F J Weil
Company number	12012631
Registered office	City Gates 2-4 Southgate Chichester West Sussex PO19 8DJ
Auditor	Moore (South) LLP City Gates 2 - 4 Southgate Chichester West Sussex PO19 8DJ
Bankers	NatWest Bank Plc 5 East Street Chichester West Sussex PO19 1HH
Solicitors	Irwin Mitchell LLP Thomas Eggar House Friary Lane Chichester West Sussex PO19 1UF

OLDHAM SEALS GROUP LIMITED

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OLDHAM SEALS GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2021

The directors present their strategic report for the year ended 30 April 2021 which shows a fair and balanced analysis of:
a) the development and performance of the company's and group's business during the financial period;
b) the position of the company and group at the end of the period; and,
c) a description of the principal risks and uncertainties facing the company and group.

Fair review of the business
The Directors report a group loss before tax of £133,307, after charging goodwill amortisation of £947,616.

The loss has naturally had a negative impact on the group's balance sheet, which has also been diminished by the decrease in the net pension asset of the final salary pension scheme.

For the financial year ended 30 April 2021 Oldham Seals Limited, the group's principal subsidiary, made a profit before tax and dividends paid of £1,013,307 (2020 - £3,217,391). This company continues to manufacture and distribute bonded hoses and rubber mouldings.

When the initial lockdown due to Covid-19 was announced Oldham Seals Limited was immediately confirmed as an essential business and with the support of all its members was able to stay open and continue trading. At that time, it had a strong order book and was able to maintain full production.

However, as the pandemic continued customers' procurement chains appeared to become disrupted, leading to a material slow down in orders from June through to October 2020. During December 2020 the company agreed to take advantage of HM Government's furlough scheme and use of this was seen through the remainder of the financial year albeit of a steadily reducing basis from January 2021 as the order book returned to more normal levels.

For the financial year ended 30 April 2021 "O" Rings Limited made a profit before tax and dividends paid of £248,543 (2020 - £362,562). This company continues to factor industrial rubber seals.

Hampshire Mouldings Limited remained dormant throughout the period.

The group continues to invest in new machinery and equipment which adds necessary additional production capacity. This gives the group more control over production capacity and lead times, which is essential for future growth.

Principal risks and uncertainties
Treasury operations and financial instruments
The company uses financial instruments, other than derivatives, comprising cash, liquid resources, and various items such as debtors, creditors and other items that arise directly from its operations. The main purpose of these financial instruments is to enable the smooth operation of the business.

The main risks from the company's financial instruments are liquidity risk, currency risk and credit risk. The directors review and agree policies for managing these risks and these are summarised below: -

Foreign currency risk
The company's principal foreign currency exposures arise from buying and selling in foreign currency. This risk is managed by predominantly buying and selling in Sterling.

Credit risk
The main credit risk relates to customers. All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Impact of COVID-19 and Brexit

This disruption of Covid-19 and Brexit are still creating wider pressures in the employment market with many businesses stating difficulty in hiring good qualified staff and employees' expectations changing as regards benefits and flexible working. The Directors are continuing to review these aspects to ensure our business is able to retain and attract staff to meet the needs of all stakeholders.

The Directors continue to assess the impact of Brexit requiring us to manage our supply chain risk. However, with the exports to EU members being a relatively small part of the overall business, the direct risk from Brexit is seen as low.

On behalf of the board

N.P. Oldham

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Mr N P Oldham

Director

Date: 27/1/2022

OLDHAM SEALS GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2021

The directors present their annual report and financial statements for the year ended 30 April 2021.

Principal activities
The principal activity of the group's main subsidiary, Oldham Seals Limited, is the manufacture and distribution of bonded hoses and rubber mouldings. The principal activity of the subsidiary, "O" Rings Limited, is the factoring of industrial rubber seals.

The Strategic Report on pages 1 and 2 includes the review of company and group performance, their positions at the period end and the principal risks facing the company and group.

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

Ordinary dividends were paid amounting to £450,000. The directors do not recommend payment of a further dividend.

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

Mr C G R Oldham
Mr N P Oldham
Mr N Holloway
Mr M F J Weil

Auditor
In accordance with the company's articles, a resolution proposing that Moore (South) LLP be reappointed as auditor of the group will be put at a General Meeting.

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 group and company, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 auditor of the company 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 auditor of the company is aware of that information.

On behalf of the board

N.P.Oldham

Mr N P Oldham
Director

Date: 27/1/2022

OLDHAM SEALS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OLDHAM SEALS GROUP LIMITED

Opinion

We have audited the financial statements of Oldham Seals Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group 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 FRS 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 the parent company's affairs as at 30 April 2021 and of the group's loss 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 group's and 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.

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.

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 strategic report and the directors' report.

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 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 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 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.

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.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the group and the parent company.

Our approach was as follows:

- The engagement partner selected staff for the audit who had prior knowledge of the client and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, including due to fraud, management override was identified as a significant fraud risk from our assessment. This is due to the ability to bypass controls and disclosure requirements.
- Revenue recognition was identified as a significant risk to the audit, there is a risk that sales are incomplete within the accounting records.
- Stock valuation and related provisions was also identified as a significant risk, as there is a risk that stock values could be overstated due to slow moving or potentially obsolete items held.
- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered the most significant from the perspective of the financial statements are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation
- We obtained an understanding of how the group and parent company comply with these requirements through discussion and correspondence with management and those charged with governance. We also reviewed applicable correspondence with regulators to identify any know instances of non-compliance or suspected non-compliance with laws and regulations.
- We enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations that could have an impact on the financial statements or the group's and parent company's ability to continue to operate going forward. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.
- We obtained an understanding and assessed the impact and effect of COVID-19 on the operations of the group and parent company and adapted our approach accordingly. We enquired and obtained evidence to support the going concern assumption, dovetailed with work undertaken on management override.
- The consolidated financial statements of the group incorporate the results of the subsidiary entities. Moore (South) LLP are auditors to the subsidiaries that are included in the financial statements and the approach adopted is consistent across the group entities.

To address the risk of fraud through management override we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Tested journal entries to identify any unusual transactions.
- Reviewed sensitive nominal ledger codes.
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.
- Reviewed transactions with related parties, in particular with directors.
- Reviewed the disclosures within the financial statements to ensure they meet the requirements of the accounting standards and relevant legislation.

In response to the risk of irregularities with regards to the completeness of income we:

- Agreed a sample of sales from source documentation into the accounting records.
- Performed analytical procedures, comparing to prior year results and client budgets.
- Tested a sample of transactions around the year end to ensure sales were recorded in the correct period.

In response to the risk with regards to the valuation of stock and related provisions we:

- Agreed a sample of stock items to purchase invoices to ensure that cost values had been properly identified.
- Agreed a sample of stock items to sales after date to ensure that stock was being sold in excess of its carrying value.
- Discussed and reviewed the stock provision with management, agreeing calculations and assumptions used.

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

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

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.

Louise Hastings (Senior Statutory Auditor)
For and on behalf of Moore (South) LLP

Date: 28th January 2022

Chartered Accountants
Statutory Auditor

City Gates
2 - 4 Southgate
Chichester
West Sussex
PO19 8DJ

OLDHAM SEALS GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2021

	Notes	Year ended 30 April 2021 £	Period ended 30 April 2020 £
Turnover	**3**	9,363,524	5,177,587
Cost of sales		(4,628,233)	(2,211,014)
Gross profit		4,735,291	2,966,573
Distribution costs		(38,121)	(17,483)
Administrative expenses		(5,051,111)	(1,957,051)
Other operating income		206,761	-
Operating (loss)/profit	**4**	(147,180)	992,039
Interest receivable and similar income	**8**	27,113	23,022
Interest payable and similar expenses	**9**	(13,240)	(5,798)
(Loss)/profit before taxation		(133,307)	1,009,263
Tax on (loss)/profit	**10**	(93,494)	(155,959)
(Loss)/profit for the financial year		(226,801)	853,304
Other comprehensive income			
Actuarial (loss)/gain on defined benefit pension schemes		(330,000)	95,000
Tax relating to other comprehensive income		63,000	(18,050)
Total comprehensive income for the year		(493,801)	930,254
(Loss)/profit for the financial year is attributable to:			
- Owners of the parent company		(396,387)	545,837
- Non-controlling interests		169,586	307,467
		(226,801)	853,304
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		(596,637)	603,549
- Non-controlling interests		102,836	326,705
		(493,801)	930,254

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

OLDHAM SEALS GROUP LIMITED

GROUP BALANCE SHEET

AS AT 30 APRIL 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Goodwill	**12**		8,133,700		9,081,316
Other intangible assets	**12**		343,501		141,241
Total intangible assets			8,477,201		9,222,557
Tangible assets	**13**		2,679,491		2,901,905
			11,156,692		12,124,462
Current assets					
Stocks	**17**	943,121		1,141,991	
Debtors	**18**	1,504,328		2,141,342	
Cash at bank and in hand		6,804,971		6,915,290	
		9,252,420		10,198,623	
Creditors: amounts falling due within one year	**19**	(1,345,356)		(2,473,499)	
Net current assets			7,907,064		7,725,124
Total assets less current liabilities			19,063,756		19,849,586
Creditors: amounts falling due after more than one year	**20**		(108,428)		(47,257)
Provisions for liabilities					
Deferred tax liability	**22**	567,650		615,350	
			(567,650)		(615,350)
Net assets excluding pension surplus			18,387,678		19,186,979
Defined benefit pension surplus	**23**		1,178,000		1,485,000
Net assets			19,565,678		20,671,979
Capital and reserves					
Called up share capital	**24**		10,000		10,000
Share premium account			17,984,868		17,984,868
Profit and loss reserves			(1,158,713)		(115,201)
Equity attributable to owners of the parent company			16,836,155		17,879,667
Non-controlling interests			2,729,523		2,792,312
			19,565,678		20,671,979

OLDHAM SEALS GROUP LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 30 APRIL 2021

The financial statements were approved by the board of directors and authorised for issue on 27/1/2022 and are signed on its behalf by:

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Mr C G R Oldham
Director

OLDHAM SEALS GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 30 APRIL 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Investments	**14**		18,091,827		18,091,827
Current assets					
Debtors	**18**	2,033		-	
Cash at bank and in hand		599,629		1,024,539	
		601,662		1,024,539	
Creditors: amounts falling due within one year	**19**	(87,877)		(603,224)	
Net current assets			513,785		421,315
Net assets			18,605,612		18,513,142
Capital and reserves					
Called up share capital	**24**		10,000		10,000
Share premium account			17,984,868		17,984,868
Profit and loss reserves			610,744		518,274
Total equity			18,605,612		18,513,142

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the period was £542,470 (2020 - £1,518,274 profit).

The financial statements were approved by the board of directors and authorised for issue on 27/1/2022 and are signed on its behalf by:

.....

Mr C G R Oldham
Director

Company Registration No. 12012631

OLDHAM SEALS GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2021

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 22 May 2019		-	-	-	-	-	-
Period ended 30 April 2020:							
Profit for the period		-	-	545,837	545,837	307,467	853,304
Other comprehensive income:							
Actuarial gains on defined benefit plans		-	-	95,000	95,000	-	95,000
Tax relating to other comprehensive income		-	-	(18,050)	(18,050)	-	(18,050)
Amounts attributable to non-controlling interests		-	-	(19,238)	(19,238)	19,238	-
Total comprehensive income for the period		-	-	603,549	603,549	326,705	930,254
Issue of share capital		10,000	17,984,868	-	17,994,868	-	17,994,868
Dividends	11	-	-	(1,000,000)	(1,000,000)	(125,000)	(1,125,000)
Acquisition of subsidiary		-	-	-	-	2,871,857	2,871,857
Dividends not paid in proportion to non-controlling interest shares held		-	-	281,250	281,250	(281,250)	-
Balance at 30 April 2020		10,000	17,984,868	(115,201)	17,879,667	2,792,312	20,671,979

OLDHAM SEALS GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Year ended 30 April 2021:							
Loss for the year		-	-	(396,387)	(396,387)	169,586	(226,801)
Other comprehensive income:							
Actuarial gains on defined benefit plans		-	-	(330,000)	(330,000)	-	(330,000)
Tax relating to other comprehensive income		-	-	63,000	63,000	-	63,000
Amounts attributable to non-controlling interests		-	-	66,750	66,750	(66,750)	-
Total comprehensive income for the year		-	-	(596,637)	(596,637)	102,836	(493,801)
Dividends	11	-	-	(450,000)	(450,000)	(162,500)	(612,500)
Dividends not paid in proportion to non-controlling interest shares held		-	-	3,125	3,125	(3,125)	-
Balance at 30 April 2021		10,000	17,984,868	(1,158,713)	16,836,155	2,729,523	19,565,678

OLDHAM SEALS GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2021

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 22 May 2019		-	-	-	-
Period ended 30 April 2020:					
Profit and total comprehensive income for the period		-	-	1,518,274	1,518,274
Issue of share capital		10,000	17,984,868	-	17,994,868
Dividends	**11**	-	-	(1,000,000)	(1,000,000)
Balance at 30 April 2020		10,000	17,984,868	518,274	18,513,142
Year ended 30 April 2021:					
Profit and total comprehensive income for the year		-	-	542,470	542,470
Dividends	**11**	-	-	(450,000)	(450,000)
Balance at 30 April 2021		10,000	17,984,868	610,744	18,605,612

OLDHAM SEALS GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash generated from operations	30		1,262,559		1,334,984
Interest paid			(13,240)		(5,798)
Income taxes paid			(313,197)		(35,713)
Net cash inflow from operating activities			936,122		1,293,473
Investing activities					
Purchase of business		-		7,073,787	
Purchase of intangible assets		(202,260)		(156,797)	
Purchase of tangible fixed assets		(236,370)		(174,534)	
Proceeds on disposal of tangible fixed assets		26,000		-	
Interest received		4,113		10,522	
Net cash (used in)/generated from investing activities			(408,517)		6,752,978
Financing activities					
Proceeds from issue of shares		-		2	
Payment of finance leases obligations		(25,424)		(6,163)	
Dividends paid to equity shareholders		(450,000)		(1,000,000)	
Dividends paid to non-controlling interests		(162,500)		(125,000)	
Net cash used in financing activities			(637,924)		(1,131,161)
Net (decrease)/increase in cash and cash equivalents			(110,319)		6,915,290
Cash and cash equivalents at beginning of year			6,915,290		-
Cash and cash equivalents at end of year			6,804,971		6,915,290

1 Accounting policies

Company information

Oldham Seals Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is City Gates, 2-4 Southgate, Chichester, West Sussex, PO19 8DJ.

The group consists of Oldham Seals Group Limited and all of its subsidiaries. The principal place of business of the company and Oldham Seals Limited is Spur Road, Chichester, West Sussex, and 'O' Rings Limited is Gravel Lane, Chichester, West Sussex .

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 £1.

The financial statements have been prepared on the historical cost convention, modified to include the valuation of certain items of plant and machinery previously revalued as deemed cost on transition to FRS 102. Certain financial instruments, where applicable, are included at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, investments in subsidiaries are accounted for at cost less impairment, if any.

The consolidated financial statements incorporate those of Oldham Seals Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 April 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group 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.

1.4 Turnover

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

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

1 Accounting policies **(Continued)**

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Software	7 years straight line from date operational

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or in the case of leasehold property and certain items of plant and machinery, valuation of transition to FRS 102 as deemed cost, net of depreciation and any impairment losses.

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

Leasehold property	2 to 10% straight line
Plant and machinery	15 to 25% reducing balance/5 to 20% straight line
Computer equipment	33 1/3% straight line

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

1.8 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

1 Accounting policies **(Continued)**

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

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

1.11 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.

1.12 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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. The financial assets are all receivable within one year and so are not amortised.

1 Accounting policies **(Continued)**

Impairment of financial assets

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

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

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group 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 group 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.

1.13 Equity instruments

Equity instruments issued by the group 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 group.

1.14 Taxation

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

1 Accounting policies **(Continued)**

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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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

1.15 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.

1.16 Retirement benefits

Defined contribution scheme

The group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Defined benefit scheme

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the Group.

The current service cost (net of employees contributions) and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. Interest on the scheme liabilities and the expected rate of return on scheme assets are included in other finance costs. Actuarial gains and losses are reported within other comprehensive income.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

1 Accounting policies **(Continued)**

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

1.18 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.

1.19 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.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

2 Judgements and key sources of estimation uncertainty **(Continued)**

Key sources of estimation uncertainty

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

Stock provisions

In accordance with FRS 102 the group makes provisions against the cost of slow moving and obsolete stock. This is to ensure that the stock value stated in the financial statements represents its value at the lower of cost and net realisable value. Judgements are made on the future saleability of stock when calculating the required provisions which are regularly reviewed.

Defined Benefit Pension Scheme

The company and group accounts for the defined benefit pension scheme which it operates in accordance with FRS 102. Assumptions have been made with regards to the scheme as detailed in the notes to the accounts using the advice of a qualified actuary.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Sale of goods	8,886,117	4,920,887
Sale of services	477,407	256,700
	9,363,524	5,177,587

	2021	2020
	£	£
Other significant revenue		
Interest income	27,113	23,022
Grants received	206,761	-

	2021	2020
	£	£
Turnover analysed by geographical market		
UK	7,199,925	4,310,213
Europe	272,920	242,400
North America	1,499,909	545,680
Australasia	355,797	62,892
Asia	34,973	16,402
	9,363,524	5,177,587

4 Operating (loss)/profit

	2021 £	2020 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Government grants	(206,761)	-
Depreciation of owned tangible fixed assets	508,502	221,054
Depreciation of tangible fixed assets held under finance leases	42,926	25,583
Loss on disposal of tangible fixed assets	15,306	-
Amortisation of intangible assets	947,616	410,396
Operating lease charges	259,010	230,434

5 Auditor's remuneration

Fees payable to the company's auditor and associates:	2021 £	2020 £
For audit services		
Audit of the financial statements of the group and company	5,300	2,500
Audit of the financial statements of the company's subsidiaries	25,000	20,100
	30,300	22,600
For other services		
Taxation compliance services	8,000	3,000
All other non-audit services	74,389	28,400
	82,389	31,400

6 Employees

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

	Group		Company	
	2021 Number	2020 Number	2021 Number	2020 Number
Administration and management	41	38	4	4
Production	59	64	-	-
Total	100	102	4	4

6 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	3,467,615	1,391,868	586,017	247,750
Social security costs	350,829	191,025	85,959	33,424
Pension costs	77,183	31,401	-	-
	3,895,627	1,614,294	671,976	281,174

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	806,466	346,380

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	387,281	160,523

8 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	4,113	10,522
Interest on the net defined benefit asset	23,000	12,500
Total income	27,113	23,022

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	4,113	10,522

9 Interest payable and similar expenses

	2021	2020
	£	£
Other finance costs:		
Other interest	13,240	5,798

10 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	86,053	203,039
Adjustments in respect of prior periods	(7,859)	-
Total current tax	78,194	203,039
Deferred tax		
Origination and reversal of timing differences	15,300	(47,080)
Total tax charge	93,494	155,959

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

	2021	2020
	£	£
(Loss)/profit before taxation	(133,307)	1,009,263
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(25,328)	191,760
Tax effect of expenses that are not deductible in determining taxable profit	188,812	89,821
Permanent capital allowances in excess of depreciation	(4,759)	(17,889)
Other permanent differences	353	(3,531)
Under/(over) provided in prior years	(7,859)	-
Defined benefit pension scheme FRS102 adjustments	(4,370)	(5,700)
R&D and patent box relief	(68,655)	(51,422)
Deferred tax movement	15,300	(47,080)
Taxation charge	93,494	155,959

10 Taxation (Continued)

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2021 £	2020 £
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(63,000)	18,050

11 Dividends

	2021 £	2020 £
Interim dividends paid to group shareholders	450,000	1,000,000

Dividends of £162,500 (2020 - £125,000) were paid during the period in respect of non-controlling interests.

12 Intangible fixed assets

Group	Goodwill	Software	Total
	£	£	£
Cost			
At 1 May 2020	9,476,156	156,797	9,632,953
Additions	-	202,260	202,260
At 30 April 2021	9,476,156	359,057	9,835,213
Amortisation and impairment			
At 1 May 2020	394,840	15,556	410,396
Amortisation charged for the year	947,616	-	947,616
At 30 April 2021	1,342,456	15,556	1,358,012
Carrying amount			
At 30 April 2021	8,133,700	343,501	8,477,201
At 30 April 2020	9,081,316	141,241	9,222,557

The company had no intangible fixed assets at 30 April 2021 or 30 April 2020.

13 Tangible fixed assets

Group	Leasehold property	Plant and machinery	Total
	£	£	£
Cost			
At 1 May 2020	460,312	2,688,230	3,148,542
Additions	-	370,320	370,320
Disposals	-	(97,173)	(97,173)
At 30 April 2021	460,312	2,961,377	3,421,689
Depreciation and impairment			
At 1 May 2020	28,639	217,998	246,637
Depreciation charged in the year	68,781	482,647	551,428
Eliminated in respect of disposals	-	(55,867)	(55,867)
At 30 April 2021	97,420	644,778	742,198
Carrying amount			
At 30 April 2021	362,892	2,316,599	2,679,491
At 30 April 2020	431,673	2,470,232	2,901,905

The company had no tangible fixed assets at 30 April 2021 or 30 April 2020.

13 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Motor vehicles	193,773	76,749	-	-

14 Fixed asset investments

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Investments in subsidiaries	15	-	-	18,091,827	18,091,827

Movements in fixed asset investments

Company	Shares in subsidiaries £
Cost or valuation	
At 1 May 2020 and 30 April 2021	18,091,827
Carrying amount	
At 30 April 2021	18,091,827
At 30 April 2020	18,091,827

15 Subsidiaries

Details of the company's subsidiaries at 30 April 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Oldham Seals Limited	As for Oldham Seals Group Limited	Manufacture of bonded hoses and rubber mouldings	Ordinary	75.00	-
'O' Rings Limited	As for Oldham Seals Group Limited	Factoring of industrial rubber seals	Ordinary	-	75.00

16 Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,349,126	1,979,960	-	-
Carrying amount of financial liabilities				
Measured at amortised cost	1,030,751	1,854,519	12,635	505,098

17 Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Raw materials and consumables	621,830	713,032	-	-
Work in progress	105,067	138,096	-	-
Finished goods and goods for resale	216,224	290,863	-	-
	943,121	1,141,991	-	-

18 Debtors

Amounts falling due within one year:	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	1,327,325	1,959,242	-	-
Other debtors	21,801	20,718	-	-
Prepayments and accrued income	155,202	161,382	2,033	-
	1,504,328	2,141,342	2,033	-

19 Creditors: amounts falling due within one year

	Notes	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Obligations under finance leases	21	64,209	16,854	-	-
Trade creditors		663,557	824,660	-	-
Amounts owed to group undertakings		100	100	100	100
Corporation tax payable		86,098	321,101	10,000	4,300
Other taxation and social security		336,935	345,136	65,242	93,826
Other creditors		45,548	846,408	-	499,998
Accruals and deferred income		148,909	119,240	12,535	5,000
		1,345,356	2,473,499	87,877	603,224

19 Creditors: amounts falling due within one year (Continued)

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

20 Creditors: amounts falling due after more than one year

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Obligations under finance leases	21	108,428	47,257	-	-

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

21 Finance lease obligations

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	64,209	16,854	-	-
In two to five years	108,428	47,257	-	-
	172,637	64,111	-	-

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

22 Deferred taxation

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

	Liabilities	Liabilities
	2021	2020
Group	£	£
Accelerated capital allowances	340,700	329,400
Retirement benefit obligations	226,950	285,950
	567,650	615,350

The company has no deferred tax assets or liabilities.

22 Deferred taxation (Continued)

Movements in the year:	Group 2021 £	Company 2021 £
Charge to profit or loss	15,300	-
Credit to other comprehensive income	(63,000)	-
Liability at 30 April 2021	567,650	-

23 Retirement benefit schemes

Defined contribution schemes	2021 £	2020 £
Charge to profit or loss in respect of defined contribution schemes	77,183	31,401

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Defined benefit schemes

The group operates a pension scheme through its subsidiary company, Oldham Seals Limited, providing benefits based on final pensionable pay for the eligible staff of the group. The assets of the scheme are held separately from the group in an independently administered fund. The contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees working lives with the group.

The contributions for the defined benefit scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. A full triennial actuarial valuation as of 1 May 2018 was prepared and updated as of 30 April 2021 on the basis of an interim actuarial report.

All demographic assumptions were as used for the actuarial valuation at 1 May 2018. The defined benefit scheme was closed to new entrants on 31 January 2003 and closed to future accrual from 31 January 2009.

The pension cost charge for the year for the company amounted to £nil.

The movements in the present value of defined benefit obligations and the fair value of plan assets shown in this note relate to Oldham Seals Limited and 'O' Rings Limited for the year ended 30 April 2021.

As at 30 April 2021 the actuarial value of the scheme assets and liabilities on the above basis were as follows:

23 Retirement benefit schemes **(Continued)**

Key assumptions	2021 %	2020 %
Discount rate	1.60	1.60
Expected rate of increase of pensions in payment	3.40	2.80
Expected rate of salary increases	2.90	2.20

Mortality assumptions	2021 Years	2020 Years
Assumed life expectations on retirement at age 65:		
Retiring today		
- Males	21.70	21.40
- Females	24.10	23.40
Retiring in 20 years		
- Males	22.70	22.40
- Females	25.20	24.60

Amounts recognised in the profit and loss account	2021 £	2020 £
Net interest on net defined benefit liability/(asset)	(23,000)	(30,000)
Other costs and income	10,000	-
Total costs/(income)	(13,000)	(30,000)

Amounts taken to other comprehensive income	2021 £	2020 £
Actual return on scheme assets	370,000	(1,287,000)
Less: calculated interest element	138,000	189,000
Return on scheme assets excluding interest income	508,000	(1,098,000)
Actuarial changes related to obligations	(178,000)	870,000
Total costs/(income)	330,000	(228,000)

23 Retirement benefit schemes **(Continued)**

The amounts included in the balance sheet arising from obligations in respect of defined benefit plans are as follows:

Group	**2021** **£**	**2020** **£**
Present value of defined benefit obligations	6,998,000	7,272,000
Fair value of plan assets	(8,176,000)	(8,757,000)
Surplus in scheme	(1,178,000)	(1,485,000)

The company had no post employment benefits at 30 April 2021 or 1 May 2020.

Movements in the present value of defined benefit obligations	**Group 2021 £**
Liabilities at 1 May 2020	7,272,000
Past service cost	10,000
Benefits paid	(221,000)
Actuarial gains and losses	(178,000)
Interest cost	115,000
At 30 April 2021	6,998,000

The defined benefit obligations arise from plans funded as follows:	**Group 2021 £**
Wholly unfunded obligations	-
Wholly or partly funded obligations	6,998,000
	6,998,000

Movements in the fair value of plan assets	**Group 2021 £**
Fair value of assets at 1 May 2020	8,757,000
Interest income	138,000
Return on plan assets (excluding amounts included in net interest)	(508,000)
Benefits paid	(221,000)
Contributions by the employer	10,000
At 30 April 2021	8,176,000

23 Retirement benefit schemes **(Continued)**

Fair value of plan assets at the reporting period end

	Group 2021 £	2020 £
LDI funds	1,308,000	1,927,000
Corporate bonds	5,805,000	5,867,000
Cash / net current assets	1,063,000	963,000
	8,176,000	8,757,000

The schedule of contributions was revised on 28 June 2019 to show that with effect from 1 July 2019 the group is not required to make any contributions to the scheme, but can elect to do so, should it wish. The employers will separately meet the expenses of management and administration of the scheme, premiums for insured death-in-service benefits and all levies issued for the PPF and the pensions regulator.

Using the method and assumptions agreed by the trustees, and set out in the statement of funding principles, the assets at the effective date were sufficient to cover around 103% of the scheme's technical provisions, with a surplus of £290,000. The next actuarial valuation is due on 1 May 2021 and is currently being prepared.

Defined contribution schemes
On 1 February 2009 a defined contribution purchase scheme was established for the eligible employees of Oldham Seals Limited and other group companies. The assets of the scheme are also held separately from those of the company in an independently administered fund. This scheme was closed on 31 March 2015.

On 1 April 2015 a defined contribution scheme to meet the requirements of auto enrolment was established. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge in the period for this scheme was £68,419 (2020 - £30,953) and contributions totalling £13,894 (2020 - £15,612) were payable to the fund at the year end are included in creditors.

24 Share capital

Ordinary share capital	2021 Number	2020 Number	2021 £	2020 £
Issued and fully paid				
A ordinary shares of £1 each	5,000	5,000	5,000	5,000
B ordinary shares of £1 each	5,000	5,000	5,000	5,000
	10,000	10,000	10,000	10,000

A and B ordinary shares rank pari-passu in all respects.

25 Operating lease commitments

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Within one year	245,226	232,444	-	-
Between two and five years	646,810	701,035	-	-
	892,036	933,479	-	-

26 Events after the reporting date

Since the balance sheet date the group has paid dividends of £450,000 in respect of controlling interests and £75,000 in respect of non-controlling interests.

27 Related party transactions

Remuneration of key management personnel
The remuneration of key management personnel, who are also directors, is disclosed in note 7.

Transactions with related parties
The group occupies premises owned by The Oldham Seals Limited Directors' Pension Scheme, of which the executive directors are trustees and members. The cost of lease payments made by the group to this pension scheme for the period was £210,348 (2020 - £75,695).

28 Directors' transactions

During the year dividends of £225,000 (2020 - £500,000) each were paid by the holding company to Mr C G R Oldham and Mr N P Oldham. Oldham Seals Limited paid dividends of £50,000 (2020 - £50,000) to Mr C G R Oldham and Mr N P Oldham as trustees of The Oldham (Infant Children's) Settlement and £112,500 (2020 - £75,000) to Mrs A M Oldham, the mother of Mr C G R Oldham and Mr N P Oldham,

Mr C G R Oldham and Mr N P Oldham have provided interest free loans to the group. At 30 April 2021 the total amount owing to them was £18,484 (2020 - £831,074).

29 Controlling party

The company and group are not controlled by any single party.

30 Cash generated from group operations

	2021 £	2020 £
(Loss)/profit for the year after tax	(226,801)	853,304
Adjustments for:		
Taxation charged	93,494	155,959
Finance costs	13,240	5,798
Investment income	(27,113)	(23,022)
Loss on disposal of tangible fixed assets	15,306	-
Amortisation and impairment of intangible assets	947,616	410,396
Depreciation and impairment of tangible fixed assets	551,428	246,637
Pension scheme non-cash movement	-	(25,250)
Movements in working capital:		
Decrease/(increase) in stocks	198,870	(159,095)
Decrease in debtors	637,014	11,621
Decrease in creditors	(940,495)	(141,364)
Cash generated from operations	1,262,559	1,334,984

Figures included in the group statement of cash flows in 2020 exclude the value of assets and liabilities of the subsidiaries at the date of acquisition.