

**Clansman Dynamics Limited**  
Annual Report and Financial Statements  
for the Year Ended 31 March 2021

# Clansman Dynamics Limited

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# Clansman Dynamics Limited

## Company Information

<b>Chairman</b>	Mr A J Goodbrand
<b>Directors</b>	Mr A J Goodbrand Mr S J Boyd Mrs H M Simpson Mr D J Muir Mr A Allan A M MacDonald
<b>Company secretary</b>	Mrs H M Simpson
<b>Registered office</b>	Stephenson Building Nasmyth Ave East Kilbride Glasgow G75 0QR
<b>Auditors</b>	Alexander Marshall Chartered Accountants & Registered Auditors 84 Hamilton Road Motherwell Lanarkshire ML1 3BY

# Clansman Dynamics Limited

## Strategic Report for the Year Ended 31 March 2021

The directors present their strategic report for the year ended 31 March 2021.

### Principal activity

The principal activity of the company is the design and manufacture of handling equipment for the global market in the forge and foundry industries and the provision of a full service.

### Fair review of the business

The company has achieved another profitable year despite the difficulties caused by the Covid pandemic which have made certain activities very difficult to perform. The first Covid “lock-down” started at the end of March 2020 and the disruption caused by this led to a poor first quarter. The company continued to pay all employees throughout and although this was partially helped by government furlough payments where appropriate, poor sales and a small first quarter loss resulted.

The year had started with a strong order book and the Company quickly worked out a safe way of working with a combination of work-from-home for some roles, and altered shift patterns to minimise personnel contact for factory based roles. Very good performance from all staff resulted in 3 very successful quarters making full-year sales similar to the prior year. Gross margin is similar to the previous year but net profits increased, largely due to low spend on travel and marketing activities which were curtailed due to Covid restrictions.

Uncertainties in the market caused new order rate to slow during the year but prospects remained good and customer contact was maintained by remote means. Confidence that the market would return with greater certainty was borne out and new order rate began to improve again around the end of the calendar year. Order rate now is as high as has been seen for some years.

Due to travel limitations, we have not been able to visit customers to commission some systems delivered in the year and have therefore taken a provision to cover the costs of doing this when restrictions allow, such that costs are stated at the level they would have been if things were normal.

Additionally, the Company was able to protect cash by maintaining good management of customer payments and hence the year-end cash position remained strong.

We are now seeing some increases in raw material and purchased components prices although this did not have a material effect on the financial year. The knock-on effects of Brexit are not over and there are still some delays and increased costs of transportation and freight forwarding, however we believe these effects are manageable and that some of the additional cost will be able to be passed on to customers.

Taking all of the disruption and uncertainties into account, the level of Sales and Profit is considered to be a good result for what has been a challenging year.

The Company’s continued successful and profitable performance throughout what has been a uniquely difficult year is due in large part to the commitment and hard work of the employees and management of the business, and this should not go without being noted.

### Principal risks and uncertainties

The Covid-19 coronavirus pandemic did affect the first quarter of the year ending 31st March 2021 but with careful planning and organisation it has been possible to develop safe working practices and together with very good staff performance activities have returned to normal. The effects of Brexit continue to affect deliveries and associated costs for materials however we believe that these issues are manageable and will continue to be monitored.

# **Clansman Dynamics Limited**

## **Strategic Report for the Year Ended 31 March 2021**

### **Future developments**

We are more than half-way through our 3-year commitment to an R & D project on the development of a new fast forging robot, completion of which is expected within the upcoming financial year. We expect this development to lead to further penetration into new markets in that sector in the future.

Additionally, an opportunity in the grinding sector is being explored and we are now part way through a 3-year R & D project re-designing existing models and developing new improved units for that market.

Approved by the Board on 25 June 2021 and signed on its behalf by:

Mr A. J. Goodbrand  
Chairman

# Clansman Dynamics Limited

## Directors' Report for the Year Ended 31 March 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

### **Directors of the company**

The directors who held office during the year were as follows:

Mr A J Goodbrand - Chairman

Mr S J Boyd

Mrs H M Simpson - Company secretary and director

Mr D J Muir

Mr E Walker (resigned 25 August 2020)

Mr A Allan

A M MacDonald (appointed 26 November 2020)

### **Financial instruments**

#### ***Objectives and policies***

The company holds or issues financial instruments in order to achieve three main objectives being;

(a) to finance its operations;

(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and

(c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

# Clansman Dynamics Limited

## Directors' Report for the Year Ended 31 March 2021

### *Price risk, credit risk, liquidity risk and cash flow risk*

#### Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

#### Liquidity risk

The company monitors liquidity risk through the execution of tight credit control procedures and continued monitoring of cash flows.

#### Currency risk

The company presents its financial statements in Sterling and conducts business in Sterling, US Dollars and Euros. As a result it is subject to foreign currency exchange risk due to exchange rate movements which will affect the transaction costs of the company and the translation of foreign currency assets and liabilities at the year end.

In an effort to reduce their risk to foreign currency exposure whenever it is considered appropriate the company enters into agreements with its bankers to sell set amounts of Euros and Dollars at predetermined rates.

### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

### **Reappointment of auditors**

The auditors Alexander Marshall are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 25 June 2021 and signed on its behalf by:

Mr A J Goodbrand  
Chairman

# **Clansman Dynamics Limited**

## **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# Clansman Dynamics Limited

## Independent Auditor's Report to the Members of Clansman Dynamics Limited

### Opinion

We have audited the financial statements of Clansman Dynamics Limited (the 'company') for the year ended 31 March 2021, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

# Clansman Dynamics Limited

## Independent Auditor's Report to the Members of Clansman Dynamics Limited

### Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 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, 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 Statement of Directors' Responsibilities [set out on page 6], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## **Clansman Dynamics Limited**

### **Independent Auditor's Report to the Members of Clansman Dynamics Limited**

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

- Review the minutes of meetings of those charged with governance.

- Enquire of management and those charged with governance of actual or potential litigation and claims.

- Test journal entries and other adjustments for appropriateness.

- Review financial statement disclosures and test to supporting documentation for compliance with laws and regulations.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **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.

Mr David Marshall (Senior Statutory Auditor)

For and on behalf of Alexander Marshall, Statutory Auditor

84 Hamilton Road

Motherwell

Lanarkshire

ML1 3BY

30 June 2021

## Clansman Dynamics Limited

### Profit and Loss Account for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Turnover	<u>3</u>	9,298,998	9,706,912
Cost of sales		<u>(7,950,005)</u>	<u>(8,299,099)</u>
Gross profit		1,348,993	1,407,813
Administrative expenses		(1,302,116)	(1,524,500)
Other operating income	<u>4</u>	<u>444,428</u>	<u>436,009</u>
Operating profit	<u>6</u>	<u>491,305</u>	<u>319,322</u>
Gain/(loss) on financial assets at fair value through profit and loss account		144,902	(87,604)
Other interest receivable and similar income	<u>8</u>	260	893
Interest payable and similar charges	<u>9</u>	<u>(7,914)</u>	<u>199,595</u>
		<u>137,248</u>	<u>112,884</u>
Profit before tax		628,553	432,206
Taxation	<u>13</u>	<u>18,087</u>	<u>(170)</u>
Profit for the financial year		<u><u>646,640</u></u>	<u><u>432,036</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

**Clansman Dynamics Limited**  
**(Registration number: SC147048)**  
**Balance Sheet as at 31 March 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	<u>14</u>	586,737	594,245
Other financial assets	<u>15</u>	1,661,920	1,517,018
		<u>2,248,657</u>	<u>2,111,263</u>
<b>Current assets</b>			
Stocks	<u>16</u>	2,676,984	2,896,181
Debtors	<u>17</u>	2,421,031	2,359,869
Cash at bank and in hand		3,780,837	4,045,878
		8,878,852	9,301,928
<b>Creditors: Amounts falling due within one year</b>	<u>19</u>	<u>(4,150,606)</u>	<u>(5,097,334)</u>
<b>Net current assets</b>		<u>4,728,246</u>	<u>4,204,594</u>
<b>Total assets less current liabilities</b>		6,976,903	6,315,857
<b>Creditors: Amounts falling due after more than one year</b>	<u>19</u>	-	(2,700)
<b>Provisions for liabilities</b>	<u>20</u>	<u>(244,550)</u>	<u>(183,101)</u>
<b>Net assets</b>		<u>6,732,353</u>	<u>6,130,056</u>
<b>Capital and reserves</b>			
Called up share capital	<u>22</u>	93,768	93,768
Share premium reserve		89,919	89,919
Capital redemption reserve		128,300	128,300
ESOP reserve		(2,139,635)	(2,199,021)
Profit and loss account		8,560,001	8,017,090
Total equity		<u>6,732,353</u>	<u>6,130,056</u>

Approved and authorised by the Board on 25 June 2021 and signed on its behalf by:

Mrs H M Simpson

Company secretary and director

## Clansman Dynamics Limited

### Statement of Changes in Equity for the Year Ended 31 March 2021

	Share capital £	Share premium £	Capital redemption reserve £	ESOP reserve £	Profit and loss account £	Total £
At 1 April 2020	93,768	89,919	128,300	(2,199,021)	8,017,090	6,130,056
Profit for the year	-	-	-	-	646,640	646,640
Total comprehensive income	-	-	-	-	646,640	646,640
Dividends	-	-	-	-	(103,729)	(103,729)
Movement on consolidation	-	-	-	24,010	-	24,010
Share based payment transactions	-	-	-	35,376	-	35,376
At 31 March 2021	93,768	89,919	128,300	(2,139,635)	8,560,001	6,732,353
	Share capital £	Share premium £	Capital redemption reserve £	ESOP reserve £	Profit and loss account £	Total £
At 1 April 2019	93,768	89,919	128,300	(2,078,734)	7,703,110	5,936,363
Profit for the year	-	-	-	-	432,036	432,036
Total comprehensive income	-	-	-	-	432,036	432,036
Dividends	-	-	-	-	(118,056)	(118,056)
Contribution to ESOP	-	-	-	(102,378)	-	(102,378)
Movement on consolidation	-	-	-	(45,999)	-	(45,999)
Share based payment transactions	-	-	-	28,090	-	28,090
At 31 March 2020	93,768	89,919	128,300	(2,199,021)	8,017,090	6,130,056

## Clansman Dynamics Limited

### Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Profit for the year		646,640	432,036
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>6</u>	60,501	58,320
Loss on disposal of tangible assets	<u>5</u>	2,540	-
Finance income	<u>8</u>	(145,162)	86,711
Income tax expense	<u>13</u>	(18,087)	170
Surplus/(deficit) on ESOP transactions		24,008	(45,998)
Share based payments		35,376	28,090
		605,816	559,329
Working capital adjustments			
Decrease/(increase) in stocks	<u>16</u>	219,197	(990,181)
Increase in trade debtors	<u>17</u>	(61,162)	(993,722)
Decrease in trade creditors	<u>19</u>	(113,525)	(1,398,168)
Increase/(decrease) in provisions	<u>20</u>	36,951	(839)
(Decrease)/increase in deferred income, including government grants		(835,782)	3,127,166
		(148,505)	303,585
Cash generated from operations		(148,505)	303,585
Income taxes received/(paid)	<u>13</u>	42,464	(101)
		(106,041)	303,484
Net cash flow from operating activities		(106,041)	303,484
<b>Cash flows from investing activities</b>			
Interest received	<u>8</u>	260	893
Acquisitions of tangible assets		(55,531)	(28,401)
		(55,271)	(27,508)
Net cash flows from investing activities		(55,271)	(27,508)
<b>Cash flows from financing activities</b>			
Contribution to ESOP		-	(102,378)
Dividends paid	<u>25</u>	(103,729)	(118,056)
		(103,729)	(220,434)
Net cash flows from financing activities		(103,729)	(220,434)
Net (decrease)/increase in cash and cash equivalents		(265,041)	55,542
Cash and cash equivalents at 1 April		4,045,878	3,990,336
Cash and cash equivalents at 31 March		3,780,837	4,045,878

# Clansman Dynamics Limited

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 1 General information

The company is a private company limited by share capital, incorporated in Scotland, United Kingdom.

The address of its registered office is:

Stephenson Building  
Nasmyth Ave  
East Kilbride  
Glasgow  
G75 0QR

These financial statements were authorised for issue by the Board on 25 June 2021.

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

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

#### Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in Sterling, which is the company's functional currency. All financial information is presented in Sterling and has been rounded to the nearest pound.

#### Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;  
it is probable that future economic benefits will flow to the entity;  
and specific criteria have been met for each of the company's activities.

#### Government grants

Grants relating to revenue are recognised in profit and loss on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

Grants that are received in respect of expenses or losses already incurred by the entity are recognised in profit and loss in the period when the grant becomes receivable.

Capital-based grants are recognised in profit and loss on a systematic basis over the useful economic life of the asset (usually to match the associated depreciation charge).

Grants relating to an asset which are deferred are recognised as a liability (deferred income) and are not deducted from the carrying value of an asset.

# Clansman Dynamics Limited

## Notes to the Financial Statements for the Year Ended 31 March 2021

### Other grants

Grants received in respect of revenue expenditure or assets which cannot be specifically identified are credited to revenue in period to which the expenditure relates.

### Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates, Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

### Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

### Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold property	1% straight line
Factory equipment	20% straight line
Office equipment	20/25% straight line

### Investments

Fixed and current asset investments are stated at fair value with any loss or profit on revaluation being recognised in the profit and loss account in the period.

The financial asset at fair value is a managed investment in shares and equities on recognised stock exchanges and the fair value is determined by the investment managers based on the values of the shares and equities on the stock exchanges at a given date.

# Clansman Dynamics Limited

## Notes to the Financial Statements for the Year Ended 31 March 2021

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO) method.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Work in progress is valued on the basis of the stage of completion less amounts invoiced to date. Provision is made for foreseeable losses where appropriate.

### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

### Provisions

The Company provides warranties in respect of the failure of components other than through wear and tear for a thirty month period. Provision is made for potential warranty claims based on an estimate of the average cost of a claim and the probability of claims being made based on the Company's experience over the last 30 months.

### Leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

### Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

# Clansman Dynamics Limited

## Notes to the Financial Statements for the Year Ended 31 March 2021

### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### Employee share ownership plan (ESOP) trust

Consideration paid or received for the purchase or sale of the company's own shares in an ESOP trust are shown as a separate amount within shareholders' funds. Assets and liabilities of the ESOP trust are reported as those of the sponsoring company. The costs of operating the ESOP trust are included in the profit and loss account of the sponsoring company.

### Financial instruments

#### Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

## 3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2021	2020
	£	£
Sale of goods	9,298,998	9,706,912

The analysis of the company's turnover for the year by market is as follows:

	2021	2020
	£	£
UK	529,918	535,290
Rest of world	8,769,080	9,171,622
	9,298,998	9,706,912

## 4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2021	2020
	£	£
Grants	443,599	433,410
Miscellaneous other operating income	829	2,599
	444,428	436,009

## Clansman Dynamics Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 5 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2021 £	2020 £
Gain (loss) on disposal of property, plant and equipment	(2,540)	-

#### 6 Operating profit

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation expense	60,501	58,320
Loss on disposal of property, plant and equipment	2,540	-

#### 7 Government grants

The company received grants from Scottish Enterprise to assist in the purchase of fixed assets and for research and development projects to develop new products.

The company also received grants from the Government to support employment during the Coronavirus pandemic.

The amount of grants recognised in the financial statements was £443,599 (2020 - £433,410).

There are no unfulfilled conditions for the grants recognised in income.

#### 8 Other interest receivable and similar income

	2021 £	2020 £
Interest income on bank deposits	260	893

#### 9 Interest payable and similar expenses

	2021 £	2020 £
Foreign exchange (gains) / losses	7,914	(199,595)

## Clansman Dynamics Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 10 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,782,601	2,542,340
Social security costs	303,607	277,230
Pension costs, defined contribution scheme	45,888	43,468
Other employee expense	-	3,237
	<u>3,132,096</u>	<u>2,866,275</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Direct Production	39	35
Administration and support	7	6
Sales	3	3
Technical	10	10
Office management	2	2
	<u>61</u>	<u>56</u>

#### 11 Directors' remuneration

The directors' remuneration for the year was as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Remuneration	482,437	580,472
Contributions paid to money purchase schemes	5,990	8,047
	<u>488,427</u>	<u>588,519</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Accruing benefits under money purchase pension scheme	<u>6</u>	<u>9</u>

In respect of the highest paid director:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Remuneration	110,312	109,469
Company contributions to money purchase pension schemes	<u>1,313</u>	<u>1,316</u>

## Clansman Dynamics Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 12 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	13,500	12,800

#### 13 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
<b>Current taxation</b>		
UK corporation tax	49	170
UK corporation tax adjustment to prior periods	(42,634)	-
	(42,585)	170
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	24,498	-
Tax (receipt)/expense in the income statement	(18,087)	170

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2020 - the same as the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	628,553	432,206
Corporation tax at standard rate	119,425	82,119
Effect of expense not deductible in determining taxable profit (tax loss)	1,101	944
Decrease from tax losses for which no deferred tax asset was recognised	(84,735)	(87,734)
Decrease in UK and foreign current tax from adjustment for prior periods	(16,942)	-
Tax (decrease)/increase from effect of capital allowances and depreciation	(11,243)	4,841
Tax decrease from effect of adjustment in research and development tax credit	(25,693)	-
Total tax (credit)/charge	(18,087)	170

## Clansman Dynamics Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 14 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Other tangible assets £	Total £
<b>Cost or valuation</b>				
At 1 April 2020	567,364	141,646	322,232	1,031,242
Additions	-	-	55,531	55,531
Disposals	-	-	(10,933)	(10,933)
At 31 March 2021	<u>567,364</u>	<u>141,646</u>	<u>366,830</u>	<u>1,075,840</u>
<b>Depreciation</b>				
At 1 April 2020	132,806	140,915	163,276	436,997
Charge for the year	5,673	437	54,389	60,499
Eliminated on disposal	-	-	(8,393)	(8,393)
At 31 March 2021	<u>138,479</u>	<u>141,352</u>	<u>209,272</u>	<u>489,103</u>
<b>Carrying amount</b>				
At 31 March 2021	<u><u>428,885</u></u>	<u><u>294</u></u>	<u><u>157,558</u></u>	<u><u>586,737</u></u>
At 31 March 2020	<u><u>434,558</u></u>	<u><u>731</u></u>	<u><u>158,956</u></u>	<u><u>594,245</u></u>

Included within the net book value of land and buildings above is £428,885 (2020 - £434,558) in respect of long leasehold land and buildings.

#### 15 Other financial assets (current and non-current)

	Financial assets at fair value £	Total £
<b>Non-current financial assets</b>		
<b>Cost or valuation</b>		
At 1 April 2020	1,517,018	1,517,018
Revaluations	144,902	144,902
At 31 March 2021	<u>1,661,920</u>	<u>1,661,920</u>
<b>Impairment</b>		
<b>Carrying amount</b>		
At 31 March 2021	<u><u>1,661,920</u></u>	<u><u>1,661,920</u></u>

## Clansman Dynamics Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 16 Stocks

	2021	2020
	£	£
Work in progress	791,383	1,092,365
Other inventories	1,885,601	1,803,816
	<u>2,676,984</u>	<u>2,896,181</u>

#### 17 Debtors

	2021	2020
	£	£
Trade debtors	1,654,968	1,505,130
Other debtors	76,020	96,105
Prepayments	62,702	67,276
Accrued income	627,341	691,358
	<u>2,421,031</u>	<u>2,359,869</u>

#### Details of non-current trade and other debtors

£Nil (2020 -£Nil) of other debtors is classified as non current.

#### 18 Cash and cash equivalents

	2021	2020
	£	£
Cash on hand	1,014	1,500
Cash at bank	3,377,899	3,642,715
Short-term deposits	401,924	401,663
	<u>3,780,837</u>	<u>4,045,878</u>

## Clansman Dynamics Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 19 Creditors

	Note	2021 £	2020 £
<b>Due within one year</b>			
Trade creditors		643,897	763,951
Social security and other taxes		-	73,364
Outstanding defined contribution pension costs		-	14,620
Other payables		52,248	41,332
Accruals		1,154,928	1,071,331
Income tax liability	<u>13</u>	49	170
Deferred income		2,299,484	3,132,566
		4,150,606	5,097,334
<b>Due after one year</b>			
Deferred income		-	2,700

#### 20 Deferred tax and other provisions

	Deferred tax £	Warranty provision £	Total £
At 1 April 2020	-	183,101	183,101
Additional provisions	24,498	-	24,498
Increase (decrease) in existing provisions	-	36,951	36,951
	24,498	220,052	244,550

The company provides a warranty on machines sold for thirty months in respect of failure of components other than through wear and tear. The directors do not expect claims to arise from all machines sold but have made a provision for possible claims, based on their experience to date of £220,052 at 31 March 2021 (2020 - £183,101). Where new products are developed or there are known issues with new products, additional provision may be required.

#### 21 Pension and other schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £45,888 (2020 - £43,468). Contributions totalling £0 (2020 - £14,620) were payable to the scheme at the end of the year and are included in creditors.

## Clansman Dynamics Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 22 Share capital

##### Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	22,068	22,068	22,068	22,068
Ordinary shares of £0.05 each	1,433,997	71,699.85	1,433,997	71,699.85
A Ordinary shares of £0.05 each	3	0.15	3	0.15
Ordinary Foundation share of £0.05 each	1	0.05	1	0.05
	1,456,069	93,768	1,456,069	93,768
	1,456,069	93,768	1,456,069	93,768

#### Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

All classes of share rank pari passu in all respects except for the following:

no dividend will be paid on any partly paid share, A share or Foundation share

on a return of assets no assets shall be distributed in respect of any partly paid ordinary shares

the Foundation share and A shares in issue carry no voting rights

#### 23 Obligations under leases and hire purchase contracts

##### Operating leases

The total of future minimum lease payments in respect of the long term ground lease of the building is as follows:

	2021	2020
	£	£
Not later than one year	8,000	8,000
Later than one year and not later than five years	32,000	32,000
Later than five years	824,000	832,000
	864,000	872,000

The amount of non-cancellable operating lease payments recognised as an expense during the year was £8,000 (2020 - £8,000).

# Clansman Dynamics Limited

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 24 Share based payments

The company operates a share incentive scheme for the benefit of all employees.

The scheme can make awards in each profitable year, subject to the achievement of targets and criteria. Shares can be awarded as free issue and also as matching shares where partnership shares are purchased and employees can re-invest dividends within the scheme. The holding period for the shares awarded to employees is three years and all free shares awarded within three years of termination of employment must be forfeit in certain circumstances. During the year the share incentive plan made awards of partnership, matching and dividend shares. The price at which the shares are awarded is calculated based on the share valuation at the time of the award calculated in accordance with the Articles of Association.

The value of goods/services received is based on the price at the date of award and the amount charged through the profit and loss account is spread equally across the holding period.

The amount charged in the profit and loss account for share based payments is £35,376 (2020 - £28,090). There is no liability outstanding at the year end.

### 25 Dividends

	2021	2020
	£	£
Final dividend of £0.4296 (2020 - £0.4068) per ordinary share	103,729	118,056

### 26 Financial guarantee contracts

The company has issued guarantees in respect of contracts with customers, the latest of which was issued on 26 March 2021. The guarantees are in place until the contracts have been completed. As in previous years, no claims have been made against guarantees by any of its customers and the directors do not expect any claims to be made.

The total amount of the financial guarantee contracts are £428,506.

### 27 Related party transactions

#### Summary of transactions with other related parties

The Trustees of the Employee Benefit Trust set up to hold the shares in the company have waived the right to receive the dividend recommended by the directors. At the Balance Sheet date the amount due to the Trustees of the Employment Benefit Trust was nil (2020 - £nil).

### 28 Parent and ultimate parent undertaking

The ultimate controlling party is Clansman Dynamics Employee Benefit Trust governed by Trustees, who include employees of Clansman Dynamics Limited.

84 Hamilton Road

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

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