

Company Registration No. 01471936 (England and Wales)

**SLINGCO LIMITED**  
**ANNUAL REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



# SLINGCO LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	M Dykins C Dykins N Dykins B Dykins
<b>Secretary</b>	N C Dykins
<b>Company number</b>	01471936
<b>Registered office</b>	Unit 3 Gateway Business Park New Hall Hey Road Rawtenstall BB4 6JG
<b>Auditor</b>	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT

# SLINGCO LIMITED

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# SLINGCO LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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

#### Fair review of the business

The principal activity of the company continued to be design, manufacture and global distribution of cable installation and overhead line products into the oil and gas, transmission and distribution and utility markets and design, manufacture and installation of Cablenet products into theatres and schools. The key markets served were US and North America, through Slingco America Inc and UK and Eurasian markets through Slingco Limited.

The key financial and other performance indicators during the year were as follows:

	2021 £	2020 £
Turnover	15,843,991	11,840,196
Operating profit	2,734,369	1,640,768
Number of employees	68	67

Turnover after exchange adjustments increased by 33% during the year, however, on a like for like basis, excluding the sales attributed to our divested business, UK revenue increased by 21%. Sales in the USA increased by 19%. This was mainly due to the impact of the COVID-19 Pandemic which had a major impact on the on the USA oil and gas industry.

Total operating profits were 66% up on the 2020 result. This was primarily due to the impact of the pandemic. In addition, there was increased staff resourcing to enable further business growth and financial support of our staff through the crisis.

Investment in new product development and continuous process and product improvement programs have again been a key focus of the business this financial year and will continue to be so.

The business relocated to a new purpose built 32,000sq ft warehouse and offices in March 2021. This will accommodate our increased production and storage requirements as we look to recruit new members of staff and add new product lines. Our new premises will further strengthen our position in the UK and international markets and prepare us for future growth.

# SLINGCO LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Principal risks and uncertainties**

The company's Leadership Team meets quarterly and evaluates the Company's risk appetite. The principal risks and uncertainties facing the Company are broadly grouped as financial, technological, political and environmental risk.

The Coronavirus pandemic had a significant impact on our oil and gas customers during 2020 as oil prices dropped to unprecedented levels. However, there was an oil price recovery and the company has seen a rebound in sales to these markets. The situation was a catalyst to explore other markets and develop new products that will provide a more robust business model in the future.

### **Financial**

Like all businesses, the group's operations expose it to a variety of financial risks. Foreign Exchange, Bad Debt and Liquidity to name some. As a global business with export sales responsible for 90% of revenue, a key risk to the business is adverse exchange rate movement.

To mitigate risk and exposure, the company makes use of spot/movement alerts and has entered into a currency hedging facility that will mitigate forward exchange risks well into 2023. The group operates principally in USD, GBP and INR.

### **Cash flow risk**

To manage liquidity risk, the company took advantage of a post year end CBILS loan in the UK and PPP assistance in the USA during 2021. The CBILS loan continues to be paid down and the USA PPP assistance was forgiven.

There is the potential for significant revenue growth over the coming years which may result in stress points on cash flow to fund stock requirements. We have a strong relationship with our bankers and these issues have been discussed. We have access to other credit facilities, long term debt and export trade finance arrangements. Liquidity risk will be mitigated by managing cash generation, tight working capital controls and applying debtor day targets.

### **Technological**

The migration to an upgraded and even more robust ERP system is planned for early 2022. This will further improve intercompany connectivity, reinforce the disaster recovery plan and protect other critical operations. Further investment in people and IT infrastructure is planned across the Company to enable us to become a truly data driven business.

### **Political risk**

The war in Ukraine and ongoing tensions with China have continued to bring an element of uncertainty. The impact these developments will have on the economy, exchange rates, laws, tariffs, trade in general, is unquantifiable. We continue to prepare for all perceived eventualities and this forms part of the quarterly strategic review of the risk register by the Leadership Team.

### **Future developments and going concern**

The directors have carried out thorough review of the business trade activities, long term profitability and cashflows and have incorporated this within their consideration of going concern. After making detailed enquires and forecasting, the Directors have formed a judgment, at the time of approving the financial statements, that there is a strong expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

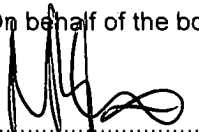
**SLINGCO LIMITED**

**STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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On behalf of the board



N Dykins

Director

Date:

13<sup>th</sup> September 22

# SLINGCO LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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

### Principal activities

The principal activity of the Company continued to be design, manufacture and global distribution of cable installation and overhead line products into the oil and gas, transmission and distribution and utility markets and design, manufacture and installation of Cablenet products into theatres and schools.

### Results and dividends

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

Ordinary dividends were paid amounting to £381,125. 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:

M Dykins  
C Dykins  
N Dykins  
B Dykins

### Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

### Auditor

UHY Hacker Young Manchester LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. Sch. 7 to be contained in the directors' report. It has done so in respect of the review of business and financial risk management.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

  
N Dykins  
Director

Date: 13th September 22.

# **SLINGCO LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

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

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

# SLINGCO LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SLINGCO LIMITED

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### Opinion

We have audited the financial statements of Slingco Limited (the 'company') for the year ended 31 December 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 company's affairs as at 31 December 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

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

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

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

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# SLINGCO LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SLINGCO LIMITED

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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

### **Extent to which the audit was considered capable of detecting irregularities including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

# SLINGCO LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SLINGCO LIMITED

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As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and the Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations, asked for available correspondence with licensing or regulatory authorities and reviewed meeting minutes from throughout the year.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, reviewing material revenue transactions pre and post year end.

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.

### 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.



Stephen Grayson FCCA (Senior Statutory Auditor)  
For and on behalf of UHY Hacker Young Manchester LLP

Date: 13/9/22

Chartered Accountants  
Statutory Auditor

St James Building  
79 Oxford Street  
Manchester  
M1 6HT

# SLINGCO LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	15,843,991	11,840,196
Cost of sales		(8,774,370)	(6,836,566)
<b>Gross profit</b>		<b>7,069,621</b>	<b>5,003,630</b>
Administrative expenses		(4,241,423)	(3,427,434)
Other operating income		47,171	195,956
Exceptional item	4	(141,000)	(131,384)
<b>Operating profit</b>	<b>5</b>	<b>2,734,369</b>	<b>1,640,768</b>
Interest receivable and similar income	8	17	56
Interest payable and similar expenses	9	(16,803)	(16,505)
Profit on disposal of operations	10	-	571,652
<b>Profit before taxation</b>		<b>2,717,583</b>	<b>2,195,971</b>
Tax on profit	11	(480,179)	(212,340)
<b>Profit for the financial year</b>		<b>2,237,404</b>	<b>1,983,631</b>

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

# SLINGCO LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

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	2021 £	2020 £
Profit for the year	2,237,404	1,983,631
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,237,404</u>	<u>1,983,631</u>

# SLINGCO LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	13		29,603		72,349
Tangible assets	14		914,719		419,573
			<u>944,322</u>		<u>491,922</u>
<b>Current assets</b>					
Stocks	15	8,231,131		5,505,576	
Debtors	16	5,628,552		4,010,721	
Cash at bank and in hand		203,203		2,585,562	
			<u>14,062,886</u>		<u>12,101,859</u>
<b>Creditors: amounts falling due within one year</b>	17	(3,540,598)		(3,148,067)	
<b>Net current assets</b>			<u>10,522,288</u>		<u>8,953,792</u>
<b>Total assets less current liabilities</b>			<u>11,466,610</u>		<u>9,445,714</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(886,274)		(855,002)
<b>Provisions for liabilities</b>					
Deferred tax liability	21	205,155		71,810	
			<u>(205,155)</u>		<u>(71,810)</u>
<b>Net assets</b>			<u>10,375,181</u>		<u>8,518,902</u>
<b>Capital and reserves</b>					
Called up share capital	23		100		100
Capital redemption reserve	24		5,727		5,727
Profit and loss reserves	25		10,369,354		8,513,075
<b>Total equity</b>			<u>10,375,181</u>		<u>8,518,902</u>

The financial statements were approved by the board of directors and authorised for issue on 18/9/22 and are signed on its behalf by:

  
N Dykins  
Director

Company Registration No. 01471936

# SLINGCO LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2020</b>		100	5,727	7,000,314	7,006,141
<b>Year ended 31 December 2020:</b>					
Profit and total comprehensive income for the year		-	-	1,983,631	1,983,631
Dividends	12	-	-	(470,870)	(470,870)
<b>Balance at 31 December 2020</b>		100	5,727	8,513,075	8,518,902
<b>Year ended 31 December 2021:</b>					
Profit and total comprehensive income for the year		-	-	2,237,404	2,237,404
Dividends	12	-	-	(381,125)	(381,125)
<b>Balance at 31 December 2021</b>		100	5,727	10,369,354	10,375,181

# SLINGCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

#### Company information

Slingco Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 3 Gateway Business Park, New Hall Hey Road, Rawtenstall, BB4 6JG.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Slingco Group Holdings Limited. These consolidated financial statements are available from its registered office, Unit 3 Gateway Business Park, New Hall Hey Road, Rawtenstall, Lancashire, BB4 6JG.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and 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.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

# SLINGCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### 1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

##### 1.5 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.

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	25% Straight line
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##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, 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:

Plant and equipment	15% Reducing balance
Fixtures and fittings	25% Straight line
Office equipment	25% Straight line
Motor vehicles	25% Reducing balance

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 credited or charged to profit or loss.

##### 1.7 Impairment of fixed assets

At each reporting period end date, the company 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# SLINGCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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.

#### 1.9 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.

#### 1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# SLINGCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 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 company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# SLINGCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.12 Taxation

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

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.13 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.

#### 1.14 Retirement benefits

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

# SLINGCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.15 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 leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### 1.16 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.

#### 1.17 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.

# SLINGCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Stock

Stock is valued at the lower cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment and inventory loss trends.

#### 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.

#### Research and development

The directors have made judgements when considering whether research and development expenditure meets the criteria for capitalisation. During the year research and development costs were expensed.

### 3 Turnover and other revenue

	2021	2020
	£	£
<b>Turnover analysed by class of business</b>		
Sale of goods	15,438,517	11,573,274
Contract sales	405,474	266,922
	<u>15,843,991</u>	<u>11,840,196</u>
	<u><u>15,843,991</u></u>	<u><u>11,840,196</u></u>
	2021	2020
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	1,636,988	1,350,820
Rest of Europe	636,714	394,815
United States of America	13,410,749	10,094,561
Rest of World	159,540	-
	<u>15,843,991</u>	<u>11,840,196</u>
	<u><u>15,843,991</u></u>	<u><u>11,840,196</u></u>

# SLINGCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3	Turnover and other revenue	(Continued)	
		2021	2020
		£	£
	<b>Other significant revenue</b>		
	Interest income	17	56
	Grants received	37,647	185,915
		<u>          </u>	<u>          </u>

4	Exceptional item		
		2021	2020
		£	£
	<b>Expenditure</b>		
	Exceptional items	141,000	131,384
		<u>          </u>	<u>          </u>

During the year the company has provided £141,000 against a debtor due from Slingco India Private Limited, a fellow subsidiary company.

During the prior year the company recognised a dilapidations provision of £97,775 relating to the exit from a premises. This cost has been deemed exceptional as it is one off in nature and is not expected to be repeated.

During the prior year the company undertook a redundancy programme totalling £33,609. These costs have been deemed as exceptional as they are one off in nature and are not expected to be repeated.

5	Operating profit		
		2021	2020
		£	£
	Operating profit for the year is stated after charging/(crediting):		
	Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	3,477	114,215
	Research and development costs	473,025	470,919
	Government grants	(37,647)	(185,915)
	Fees payable to the company's auditor for the audit of the company's financial statements	20,000	22,000
	Depreciation of owned tangible fixed assets	158,986	95,915
	(Profit)/loss on disposal of tangible fixed assets	(705)	343
	Amortisation of intangible assets	42,746	55,118
	Operating lease charges	166,033	56,465
		<u>          </u>	<u>          </u>

# SLINGCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Employees

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

	2021 Number	2020 Number
Manufacturing	25	26
Admin	29	26
Sales	5	6
Management	5	5
Directors	4	4
Total	68	67

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	1,985,188	1,659,878
Social security costs	223,927	210,012
Pension costs	171,610	41,228
	2,380,725	1,911,118

### 7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	86,737	30,575
Company pension contributions to defined contribution schemes	120,000	-
	206,737	30,575

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 0).

### 8 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	17	56

# SLINGCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 9 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and loans	15,732	10,738
Other interest	1,071	5,767
	<u>16,803</u>	<u>16,505</u>

### 10 Profit on disposal of investments

	2021	2020
	£	£
Profit on disposal of operations	-	571,652
	<u>-</u>	<u>571,652</u>

During the prior year, the company sold its ramp spares operation. The company recorded a gain in the profit and loss of £571,652 in the prior year relating to the disposal.

### 11 Taxation

	2021	2020
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	345,000	203,750
Adjustments in respect of prior periods	1,834	(1,300)
Total current tax	<u>346,834</u>	<u>202,450</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	133,345	2,606
Changes in tax rates	-	7,284
Total deferred tax	<u>133,345</u>	<u>9,890</u>
Total tax charge	<u>480,179</u>	<u>212,340</u>

# SLINGCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 11 Taxation

(Continued)

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

	2021 £	2020 £
Profit before taxation	2,717,583	2,195,971
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	516,341	417,234
Tax effect of expenses that are not deductible in determining taxable profit	52,051	11,421
Tax effect of income not taxable in determining taxable profit	-	(106,714)
Adjustments in respect of prior years	1,834	(1,300)
Research and development tax credit	(116,837)	(222,300)
Chargeable Gains/Loss	-	106,714
Adjust deferred tax to closing rate	-	7,285
Other	26,790	-
Taxation charge for the year	480,179	212,340

### 12 Dividends

	2021 £	2020 £
Final paid	381,125	470,870

### 13 Intangible fixed assets

	Software £
<b>Cost</b>	
At 1 January 2021 and 31 December 2021	233,089
<b>Amortisation and impairment</b>	
At 1 January 2021	160,740
Amortisation charged for the year	42,746
At 31 December 2021	203,486
<b>Carrying amount</b>	
At 31 December 2021	29,603
At 31 December 2020	72,349

# SLINGCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 14 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Office equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2021	798,942	149,508	162,940	85,913	1,197,303
Additions	453,226	139,801	25,770	37,130	655,927
Disposals	-	-	-	(10,900)	(10,900)
At 31 December 2021	<u>1,252,168</u>	<u>289,309</u>	<u>188,710</u>	<u>112,143</u>	<u>1,842,330</u>
<b>Depreciation and impairment</b>					
At 1 January 2021	438,672	137,761	153,489	47,808	777,730
Depreciation charged in the year	88,454	27,241	30,863	12,428	158,986
Eliminated in respect of disposals	-	-	-	(9,105)	(9,105)
At 31 December 2021	<u>527,126</u>	<u>165,002</u>	<u>184,352</u>	<u>51,131</u>	<u>927,611</u>
<b>Carrying amount</b>					
At 31 December 2021	<u>725,042</u>	<u>124,307</u>	<u>4,358</u>	<u>61,012</u>	<u>914,719</u>
At 31 December 2020	<u>360,270</u>	<u>11,747</u>	<u>9,451</u>	<u>38,105</u>	<u>419,573</u>

### 15 Stocks

	2021 £	2020 £
Work in progress	43,687	33,191
Finished goods and goods for resale	8,187,444	5,472,385
	<u>8,231,131</u>	<u>5,505,576</u>

### 16 Debtors

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	346,517	305,529
Amounts owed by group undertakings	3,343,123	1,463,297
Other debtors	1,792,194	2,101,906
Prepayments and accrued income	146,718	139,989
	<u>5,628,552</u>	<u>4,010,721</u>

# SLINGCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 17 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	19	190,000	94,998
Obligations under finance leases	20	107,567	-
Trade creditors		1,456,384	1,128,440
Corporation tax		541,442	482,075
Other taxation and social security		69,176	103,562
Other creditors		705,507	1,127,779
Accruals and deferred income		470,522	211,213
		<u>3,540,598</u>	<u>3,148,067</u>

### 18 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	19	696,667	855,002
Obligations under finance leases	20	189,607	-
		<u>886,274</u>	<u>855,002</u>

The bank loan is secured over all assets of the company as set out in the Borrowings note.

### 19 Loans and overdrafts

	2021 £	2020 £
Bank loans	<u>886,667</u>	<u>950,000</u>
Payable within one year	190,000	94,998
Payable after one year	<u>696,667</u>	<u>855,002</u>

The long-term loans are secured by a fixed and floating charge over all of the property, assets and undertaking of the company.

The bank loans are partially guaranteed by the UK Government under the Coronavirus Business Interruption (CBILS) Scheme.

The CBILS is repayable in 60 monthly instalments of £15,833. During the year 4 repayments were made, with 56 remaining at the year end. Interest is charged at a variable rate of 1.69% over Bank of England base rate.

# SLINGCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 20 Finance lease obligations

	2021	2020
	£	£
Future minimum lease payments due under finance leases:		
Within one year	107,567	-
In two to five years	189,607	-
	<u>297,174</u>	<u>-</u>

Finance lease payments represent rentals payable by the company 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.

### 21 Deferred taxation

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

	Liabilities 2021	Liabilities 2020
	£	£
<b>Balances:</b>		
Accelerated capital allowances	214,393	74,160
Short term timing differences	(9,238)	(2,350)
	<u>205,155</u>	<u>71,810</u>
		<b>2021</b>
<b>Movements in the year:</b>		<b>£</b>
Liability at 1 January 2021		71,810
Charge to profit or loss		133,345
		<u>205,155</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

# SLINGCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 22 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	171,610	41,228

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the year end the company had £36,953 (2020: £24,736) of pension contributions outstanding.

### 23 Share capital

	2021	2020	2021	2020
Ordinary share capital Issued and fully paid	Number	Number	£	£
Ordinary shares of £1 each	100	100	100	100

### 24 Capital redemption reserve

The other reserve is a capital redemption reserve. This reserve consists of the nominal value of shares redeemed by the company.

### 25 Profit and loss reserves

Cumulative profit and loss net of distributions to shareholders.

### 26 Financial commitments, guarantees and contingent liabilities

The company had a charge dated 14 July 2020, in favour of National Westminster Bank PLC. The charge contained a fixed and floating charge over all the property or undertaking of the company.

### 27 Operating lease commitments

#### Lessee

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

	2021	2020
	£	£
Within one year	400,218	11,769
Between two and five years	775,467	2,402
	<u>1,175,685</u>	<u>14,171</u>

# SLINGCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 28 Related party transactions

The company has taken advantage of the provisions within FRS 102 paragraph 33.1A from disclosing transactions with entities which are a wholly owned part of the group.

Included within creditors at the year end are amounts of £47,027 (2020: £198,212) owed to the directors of the company. The movements relate to deposits and withdrawals.

Included within debtors at the year end are amounts of £11,537 (2020: £nil) owed by the directors to the company. The movements relate to amounts loaned during the year.

Included within creditors at the year end is an amount of £621,864 (2020: £385,133) owed to entities related by common control. The movement in the year relates to further amounts borrowed by the company.

Included within debtors at the year end is an amount of £715,824 (2020: £618,443) owed by entities related by common control. The movement in the year relates to amounts loaned by the company.

Included within debtors at the year end is an amount of £887,065 (2020: £1,322,149) owed by the company pension scheme. The movement in the year relates to amounts loaned by the company.

The company paid rent of £175,500 (2020: £60,000) to the company pension scheme. The rent is set at an open market rate.

### 29 Ultimate controlling party

The company is wholly owned subsidiary of Slingco Holdings Limited, a company registered in England and Wales and this company is the immediate parent company.

During the year the group was acquired by Slingco Group Holdings Limited, a company registered in England & Wales. Slingco Group Holdings Limited is the ultimate parent company and is the smallest and largest group which prepares consolidated accounts. Copies of the group accounts for the ultimate parent company may be obtained from Companies House.

The ultimate controlling party at the year end is the directors by virtue of their majority shareholding in the parent company.