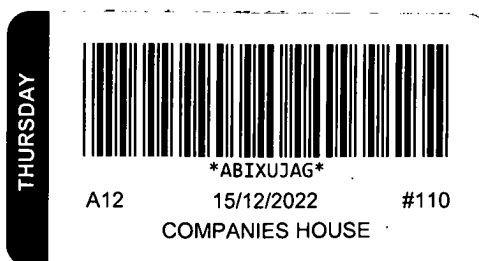


REGISTERED NUMBER: 02514415 (England and Wales)

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 March 2022**
for
Pentre Group Limited



Pentre Group Limited (Registered number: 02514415)

**Contents of the Financial Statements
for the Year Ended 31 March 2022**

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Pentre Group Limited
Company Information
for the Year Ended 31 March 2022

DIRECTORS: M F Seymour
R Johnstone
Mrs J Meal

SECRETARY: Mrs J Meal

REGISTERED OFFICE: Unit 2, Penfield Road
Leigh
Lancashire
WN7 3PG

REGISTERED NUMBER: 02514415 (England and Wales)

AUDITORS: Voisey & Co LLP
Statutory Auditor
8 Winmarleigh Street
Warrington
Cheshire
WA1 1JW

Pentre Group Limited (Registered number: 02514415)

**Report of the Directors
for the Year Ended 31 March 2022**

The directors present their report with the financial statements of the company for the year ended 31 March 2022.

PRINCIPAL ACTIVITY

The principle activity of the company continues to be that of the manufacture of cable reels and drums.

DIVIDENDS

In the year an interim dividend of 14.46p (2021 15.4p) per share was paid to the parent company, Pentre Holdings Limited and the total amount distributed in the year amounted to £4,250,000 (2021 £4,525,000).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

M F Seymour
R Johnstone
Mrs J Meal

Other changes in directors holding office are as follows:

S A Kilgallon - resigned 2 June 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Report of the Independent Auditors to the Members of
Pentre Group Limited**

Opinion

We have audited the financial statements of Pentre Group Limited (the 'company') for the year ended 31 March 2022 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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 the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Pentre Group Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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 three, 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 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management, those charged with governance around actual and potential litigation and claims;
- enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
Pentre Group Limited**

Use of our report

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



Philip Urmston (Senior Statutory Auditor)
for and on behalf of Voisey & Co LLP
Statutory Auditor
8 Winmarleigh Street
Warrington
Cheshire
WA1 1JW

Date: 27th September 2022

Pentre Group Limited (Registered number: 02514415)

**Income Statement
for the Year Ended 31 March 2022**

	Notes	31.3.22 £	31.3.21 £
TURNOVER	3	17,206,154	14,789,977
Cost of sales		(11,737,030)	(10,867,073)
GROSS PROFIT		5,469,124	3,922,904
Administrative expenses		(3,302,223)	(3,595,677)
		2,166,901	327,227
Other operating income	4	-	143,912
OPERATING PROFIT	6	2,166,901	471,139
Income from shares in group undertakings		711,286	-
Interest receivable and similar income	7	874	6,822
		2,879,061	477,961
Interest payable and similar expenses	8	(16,182)	(15,774)
PROFIT BEFORE TAXATION		2,862,879	462,187
Tax on profit	9	(391,820)	126,967
PROFIT FOR THE FINANCIAL YEAR		<u>2,471,059</u>	<u>589,154</u>

The notes form part of these financial statements

Pentre Group Limited (Registered number: 02514415)

**Other Comprehensive Income
for the Year Ended 31 March 2022**

	31.3.22 £	31.3.21 £
Notes		
PROFIT FOR THE YEAR	2,471,059	589,154
OTHER COMPREHENSIVE INCOME		
Revaluation of tangible fixed assets	413,548	-
Income tax relating to other comprehensive income	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>413,548</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>2,884,607</u></u>	<u><u>589,154</u></u>

The notes form part of these financial statements

Pentre Group Limited (Registered number: 02514415)

Statement of Financial Position
31 March 2022

	Notes	31.3.22		31.3.21	
		£	£	£	£
FIXED ASSETS					
Intangible assets	11		-		-
Tangible assets	12		4,417,723		3,436,449
Investments	13		1,262,429		1,262,429
			<u>5,680,152</u>		<u>4,698,878</u>
CURRENT ASSETS					
Stocks	14	2,800,519		2,271,104	
Debtors	15	6,994,649		10,165,022	
Cash at bank and in hand		1,682,071		1,461,751	
			<u>11,477,239</u>		<u>13,897,877</u>
CREDITORS					
Amounts falling due within one year	16	5,441,515		5,669,441	
NET CURRENT ASSETS			<u>6,035,724</u>		<u>8,228,436</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>11,715,876</u>		<u>12,927,314</u>
PROVISIONS FOR LIABILITIES	19		<u>473,167</u>		<u>319,212</u>
NET ASSETS			<u><u>11,242,709</u></u>		<u><u>12,608,102</u></u>
CAPITAL AND RESERVES					
Called up share capital	20		2,926,581		2,926,581
Share premium	21		1,212,190		1,212,190
Revaluation reserve	21		914,071		517,207
Retained earnings	21		6,189,867		7,952,124
SHAREHOLDERS' FUNDS			<u><u>11,242,709</u></u>		<u><u>12,608,102</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 27th September 2022
and were signed on its behalf by:


.....
R Johnstone - Director

The notes form part of these financial statements

Pentre Group Limited (Registered number: 02514415)

**Statement of Changes in Equity
for the Year Ended 31 March 2022**

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 April 2020	2,926,581	11,871,286	1,212,190	533,891	16,543,948
Changes in equity					
Profit for the year	-	589,154	-	-	589,154
Other comprehensive income	-	16,684	-	(16,684)	-
Total comprehensive income	-	605,838	-	(16,684)	589,154
Dividends	-	(4,525,000)	-	-	(4,525,000)
Total transactions with owners, recognised directly in equity	-	(4,525,000)	-	-	(4,525,000)
Balance at 31 March 2021	2,926,581	7,952,124	1,212,190	517,207	12,608,102
Changes in equity					
Profit for the year	-	2,471,059	-	-	2,471,059
Other comprehensive income	-	16,684	-	396,864	413,548
Total comprehensive income	-	2,487,743	-	396,864	2,884,607
Dividends	-	(4,250,000)	-	-	(4,250,000)
Total transactions with owners, recognised directly in equity	-	(4,250,000)	-	-	(4,250,000)
Balance at 31 March 2022	2,926,581	6,189,867	1,212,190	914,071	11,242,709

The notes form part of these financial statements

Pentre Group Limited (Registered number: 02514415)

**Notes to the Financial Statements
for the Year Ended 31 March 2022**

1. STATUTORY INFORMATION

Pentre Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

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 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 4 'Statement of Financial Position' - Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' - Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' - Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Pentre Group Limited is a wholly owned subsidiary of Pentre Holdings Limited, which is in turn a wholly owned subsidiary of Pentre Group Holdings Limited, which is in turn a wholly owned subsidiary of Pentre 2020 Limited. The results of Pentre Group Limited are included in the consolidated financial statements of Pentre Holdings Limited and Pentre 2020 Limited, which are available from the Company Secretary, Unit 2, Penfield Road, Leigh, Lancashire, WN7 3PG.

Pentre Group Limited (Registered number: 02514415)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

2. ACCOUNTING POLICIES - continued

Judgements and key sources of estimation and 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 assumption 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.

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.

Turnover

Turnover is the amount derived from ordinary activities, and stated after trade discounts, other sales taxes and net of VAT. Revenue is recognised at the point of despatch.

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 despatch 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.

Intangible fixed assets - goodwill

Goodwill, being the amount paid in connection with the acquisition of businesses, was written off in the year of acquisition.

Pentre Group Limited (Registered number: 02514415)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

2. ACCOUNTING POLICIES - continued

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.

Tangible fixed assets are stated at cost or valuation. Depreciation is being charged by equal annual instalments, commencing with the month in which the asset is first available for use, so as to write off each asset's cost or valuation, less any residual value, over its anticipated economic life. The following rates of depreciation have been used:

Long Leasehold	2% straight line
Improvements to property	10% straight line
Plant & Machinery	10% to 25% straight line

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

Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

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.

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.

Pentre Group Limited (Registered number: 02514415)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

2. ACCOUNTING POLICIES - continued

Government grants

The accrual model has been adopted to recognise government grants in the year and are measured at the fair value of the asset received or receivable. Where a grant becomes repayable it is recognised as a liability when the repayment meets the definition of a liability.

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.

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 overdraft are shown within borrowings in current liabilities.

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 income statement 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 is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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 are included in the income statement for the period.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

Pentre Group Limited (Registered number: 02514415)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

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

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

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

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.

Pentre Group Limited (Registered number: 02514415)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

2. ACCOUNTING POLICIES - continued

Basic financial liabilities

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

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

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

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.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. 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.

Retirement benefits

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

3. TURNOVER

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

	31.3.22	31.3.21
	£	£
Turnover analysed by class of business		
Manufacture of cable reels and drums	<u>17,206,154</u>	<u>14,789,977</u>

Pentre Group Limited (Registered number: 02514415)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

4. OTHER OPERATING INCOME

	31.3.22	31.3.21
	£	£
Government grants	-	143,912
	<u> </u>	<u> </u>

Grant income in the prior year of £143,912 (2021) is in relation to the Coronavirus Job Retention Scheme and all conditions attached to the grants have been met.

5. EMPLOYEES AND DIRECTORS

	31.3.22	31.3.21
	£	£
Wages and salaries	3,014,406	2,944,248
Social security costs	272,594	268,917
Other pension costs	113,945	119,438
	<u> </u>	<u> </u>
	<u>3,400,945</u>	<u>3,332,603</u>

The average number of employees during the year was as follows:

	31.3.22	31.3.21
Manual	86	86
Clerical and technical	31	32
	<u> </u>	<u> </u>
	<u>117</u>	<u>118</u>

	31.3.22	31.3.21
	£	£
Directors' remuneration	163,602	243,289
Directors' pension contributions to money purchase schemes	20,339	27,839
	<u> </u>	<u> </u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u> </u> 3	<u> </u> 3
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6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.3.22	31.3.21
	£	£
Hire of plant and machinery	15,934	15,682
Other operating leases	179,796	189,588
Depreciation - owned assets	345,164	305,409
(Profit)/loss on disposal of fixed assets	(16,952)	4,989
Auditors' remuneration	27,850	21,350
Foreign exchange differences	(12,855)	(48,976)
	<u> </u>	<u> </u>

Pentre Group Limited (Registered number: 02514415)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

7. INTEREST RECEIVABLE AND SIMILAR INCOME		
	31.3.22	31.3.21
	£	£
Deposit account interest	-	6,822
Group interest charged	874	-
	<u>874</u>	<u>6,822</u>
8. INTEREST PAYABLE AND SIMILAR EXPENSES		
	31.3.22	31.3.21
	£	£
Bank interest	6,477	15,774
Group interest payable	9,705	-
	<u>16,182</u>	<u>15,774</u>
9. TAXATION		
Analysis of the tax charge/(credit)		
The tax charge/(credit) on the profit for the year was as follows:		
	31.3.22	31.3.21
	£	£
Current tax:		
UK corporation tax	226,247	-
Prior year adjustment	11,618	(178,940)
Total current tax	<u>237,865</u>	<u>(178,940)</u>
Deferred tax	153,955	51,973
Tax on profit	<u>391,820</u>	<u>(126,967)</u>

Pentre Group Limited (Registered number: 02514415)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

9. TAXATION - continued

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.22 £	31.3.21 £
Profit before tax	<u>2,862,879</u>	<u>462,187</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	543,947	87,816
Effects of:		
Expenses not deductible for tax purposes	261	1,602
Capital allowances in excess of depreciation	(13,364)	-
Depreciation in excess of capital allowances	-	10,447
Adjustments to tax charge in respect of previous periods	11,618	-
Research and development tax credit	(15,498)	(10,175)
Non taxable group dividends	(135,144)	-
Deduction on employee share options exercised	-	(216,657)
Total tax charge/(credit)	<u>391,820</u>	<u>(126,967)</u>

Tax effects relating to effects of other comprehensive income

	Gross £	31.3.22 Tax £	Net £
Revaluation of tangible fixed assets	<u>413,548</u>	<u>-</u>	<u>413,548</u>

10. DIVIDENDS

	31.3.22 £	31.3.21 £
Interim	<u>4,250,000</u>	<u>4,525,000</u>

Pentre Group Limited (Registered number: 02514415)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

11. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 2021 and 31 March 2022	2,025,104
AMORTISATION	
At 1 April 2021 and 31 March 2022	2,025,104
NET BOOK VALUE	
At 31 March 2022	-
At 31 March 2021	-

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Totals £
COST OR VALUATION			
At 1 April 2021	1,815,000	5,170,128	6,985,128
Additions	108,398	825,632	934,030
Disposals	-	(527,982)	(527,982)
Revaluations	334,602	-	334,602
At 31 March 2022	2,258,000	5,467,778	7,725,778
DEPRECIATION			
At 1 April 2021	36,719	3,511,960	3,548,679
Charge for year	42,227	302,937	345,164
Eliminated on disposal	-	(506,842)	(506,842)
Revaluation adjustments	(78,946)	-	(78,946)
At 31 March 2022	-	3,308,055	3,308,055
NET BOOK VALUE			
At 31 March 2022	2,258,000	2,159,723	4,417,723
At 31 March 2021	1,778,281	1,658,168	3,436,449

Pentre Group Limited (Registered number: 02514415)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

12. TANGIBLE FIXED ASSETS - continued

Long leasehold properties were valued by Morgan Williams Chartered Surveyors, an independent valuer, in February 2022. The valuation of £2,258,000 has been incorporated into these financial statements. This valuation figure should be read in conjunction with the report which was carried out on a Market Value basis and was in accordance with RICS Valuation - Global Standards 2022.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2022 £	2021 £
Cost	1,957,358	1,848,960
Accumulated depreciation	(606,535)	(580,187)
	<u>1,242,425</u>	<u>1,268,773</u>
Value of land in long leasehold land and building	<u>640,000</u>	<u>640,000</u>

Cost or valuation at 31 March 2022 is represented by:

	Long leasehold £	Plant and machinery £	Totals £
Valuation in 2022	2,258,000	-	2,258,000
Cost	-	5,467,778	5,467,778
	<u>2,258,000</u>	<u>5,467,778</u>	<u>7,725,778</u>

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2021 and 31 March 2022	<u>1,262,429</u>
NET BOOK VALUE	
At 31 March 2022	<u>1,262,429</u>
At 31 March 2021	<u>1,262,429</u>

Pentre Group Limited (Registered number: 02514415)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

13. **FIXED ASSET INVESTMENTS - continued**

Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Direct
Pentre Deutschland GmbH	1	Dormant company	Ordinary	100
Pentre Farres S.L.	2	Plywood reel manufacturer	Ordinary	100
Pentre Kovo CZ Spol. s.r.o	3	Steel reel manufacturer	Ordinary	100
Pentre Overseas Holdings Limited	4	Holding company	Ordinary	100
Pentre Properties Limited	5	Dormant company	Ordinary	100

Registered office addresses (all UK unless otherwise indicated):

- 1 Pelmanstr, 45, 45131 Essen, Germany
- 2 Calle Can Carrero N3, Les Franqueses Del Valles, 08520, Barcelona, Spain
- 3 Hurviny 2795, Rakonvik II, 270 36, Czech Republic
- 4 Unit 2 Penfield Road, Leigh, Lancashire, WN7 3PG
- 5 Unit 2 Penfield Road, Leigh, Lancashire, WN7 3PG

The shares in Pentre Kovo Spol. s.r.o. and Pentre Deutschland GmbH are held by a subsidiary undertaking and represent 100% of the issue share capital.

14. **STOCKS**

	31.3.22	31.3.21
	£	£
Raw materials	1,924,454	1,296,983
Work-in-progress	379,385	635,561
Finished goods	496,680	338,560
	<u>2,800,519</u>	<u>2,271,104</u>

15. **DEBTORS**

	31.3.22	31.3.21
	£	£
Amounts falling due within one year:		
Trade debtors	4,258,806	3,784,055
Amounts owed by group undertakings	2,216,717	5,728,773
Other debtors	87,631	188,917
Corporation tax recoverable	178,940	201,590
Other taxation	54,620	101,899
Prepayments	185,185	145,888
	<u>6,981,899</u>	<u>10,151,122</u>
Amounts falling due after more than one year:		
Other debtors	<u>12,750</u>	<u>13,900</u>
Aggregate amounts	<u>6,994,649</u>	<u>10,165,022</u>

Pentre Group Limited (Registered number: 02514415)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Trade creditors	2,334,792	2,301,481
Amounts owed to group undertakings	2,555,495	3,157,609
Tax	226,247	-
Social security and other taxes	155,431	121,813
Accruals and deferred income	169,550	88,538
	<u>5,441,515</u>	<u>5,669,441</u>

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.22	31.3.21
	£	£
Within one year	140,000	160,664
Between one and five years	230,521	267,774
	<u>370,521</u>	<u>428,438</u>

18. SECURED DEBTS

The ultimate parent company, Pentre 2020 Limited has provided security in relation to the deferred consideration payable to director Mr M F Seymour by a debenture creating a fixed and floating charge over the company's assets.

Pentre Group Limited (Registered number: 02514415)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

19. PROVISIONS FOR LIABILITIES

	31.3.22	31.3.21
	£	£
Deferred tax liabilities	<u>473,167</u>	<u>319,212</u>

Deferred taxation

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

Liabilities

	31.3.22	31.3.21
	£	£
Balances:		
Accelerated capital allowances	<u>473,167</u>	<u>319,212</u>

		31.3.22
		£
Movements in the year		
Liability at 1 April 2021		319,212
Charge to profit or loss		<u>153,955</u>
Liability at 31 March 2022		<u><u>473,167</u></u>

The deferred tax liability set out above is expected to reverse within 5 years and relates to accelerated capital allowances that are expected to mature within the same period.

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:					
Number:	Class:	Nominal value:	31.3.22	31.3.21	
			£	£	
29,265,813	Ordinary	10p	<u>2,926,581</u>	<u>2,926,581</u>	

21. RESERVES

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 April 2021	7,952,124	1,212,190	517,207	9,681,521
Profit for the year	2,471,059			2,471,059
Dividends	(4,250,000)			(4,250,000)
Transfer from revaluation reserve	16,684	-	(16,684)	-
Revaluation in year	-	-	413,548	413,548
At 31 March 2022	<u><u>6,189,867</u></u>	<u><u>1,212,190</u></u>	<u><u>914,071</u></u>	<u><u>8,316,128</u></u>

Pentre Group Limited (Registered number: 02514415)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

22. PENSION COMMITMENTS

The company operates a defined contributions pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £113,945 (2021 £119,438).

23. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements:

	31.3.22	31.3.21
	£	£
Acquisition of tangible fixed assets	<u>21,779</u>	<u>113,335</u>

24. FINANCIAL COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES

There is an unlimited cross guarantee in favour of National Westminster Bank Plc between Pentre Holdings Limited, Pentre Group Limited, Pentre Engineering Limited, Pentre Properties Limited and Pentre Overseas Holdings Limited.

25. RELATED PARTY TRANSACTIONS

Transactions with related parties

The company has taken advantage of the exemption available whereby it has not disclosed transactions with other companies that are wholly owned within the group.

In the year the company paid a directors' fee amounting to £4,000 (2021: £4,000) to SAS Daniels LLP, a partnership in which the director J P Orrell is a partner and who has beneficial interests. Legal and consultancy fees amounting to £Nil (2021: £5,614) were also charged in the year and at the balance sheet date £1,200 (2021: £3,683) was owing to the partnership.

26. ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of Pentre Holdings Limited, a company registered in England and Wales. The ultimate parent of Pentre Holdings Limited is Pentre 2020 Limited, a company also registered in England and Wales.

The registered office of Pentre Holdings Limited and Pentre 2020 Limited is Unit 2, Penfield Road, Leigh, Lancashire, WN7 3PG.

Copies of the consolidated financial statements for Pentre 2020 Limited; this being the largest group of which the company is a member, and for Pentre Holdings Limited; this being the smallest group of which the company is a member, can be obtained from the Company Secretary, Unit 2, Penfield Road, Leigh, Lancashire, WN7 3PG.

The ultimate controlling party are the shareholders of Pentre 2020 Limited.