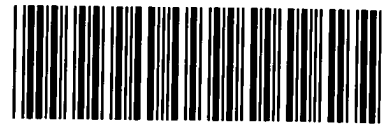


REGISTERED NUMBER: 00684463 (England and Wales)

AMENDED

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
FOR
SURELOCK MCGILL LIMITED**

THURSDAY



ABJDX44G

A44

22/12/2022

#5

COMPANIES HOUSE

SURELOCK MCGILL LIMITED

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Consolidated Statement of Comprehensive Income	9
Consolidated Balance Sheet	10
Company Balance Sheet	11
Consolidated Statement of Changes in Equity	12
Company Statement of Changes in Equity	13
Consolidated Cash Flow Statement	14
Notes to the Consolidated Cash Flow Statement	15
Notes to the Consolidated Financial Statements	17

SURELOCK MCGILL LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2022**

DIRECTORS:

J McGill
D W Dunbar-Jones
D R Milne
M Popov
C Y Hough
A R Swan
S J McGill

SECRETARY:

K L Johnston

REGISTERED OFFICE:

26 The Business Centre
Molly Millars Lane
Wokingham
Berkshire
RG41 2QY

REGISTERED NUMBER:

00684463 (England and Wales)

AUDITORS:

Haines Watts
Chartered Accountants and Statutory Auditors
Advantage
87 Castle Street
Reading
Berkshire
RG1 7SN

SURELOCK MCGILL LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The directors present their strategic report of the Company and the Group for the year ended 31 March 2021.

REVIEW OF BUSINESS

Demand for the Group's products, in all territories and markets, has increased in the year, as customers seek to ensure that they remain secure against terrorism and other threats. The Group is particularly pleased with the performance of the US and door divisions who have found trading conditions to be challenging in recent years.

Despite the global pandemic, Group turnover has increased 42% to £26m this year, the Group has benefitted from the easing of the restrictions of the global pandemic as well as the acquisition of Benweldsecure Limited. Gross margin decreased slightly to 49%.

As a result of the excellent performance in the year, reserves have increased from £5.2m to £6.1m.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group employs a strict policy of controls encompassing specific controls to address financial risks. Such risks included interest rate risk on borrowings and exchange rate risk on foreign currency transactions, in addition to risks associated with day to day trading such as credit, liquidity and cash flow.

The board reviews such risks on a regular basis and takes action in accordance with its policy to ensure that such risks are mitigated.

FINANCIAL KEY PERFORMANCE INDICATORS

The Group's focus is on maintaining gross margin, since this key performance indicator underpins its overall success.

ON BEHALF OF THE BOARD:



.....
J McGill - Director

Date: 17/11/2022

SURELOCK MCGILL LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report with the financial statement of the Company and the Group for the year ended 31 March 2020.

PRINCIPAL ACTIVITY

The principal activity of the Group in the year under review was that of the manufacture and maintenance of locks, door locking systems and security doors.

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2022 totalled £362,262.

RESEARCH AND DEVELOPMENT

The Group continually carries out research and development to ensure that it complies with the latest standards applying to the market in which it operates, and to ensure that products remain the market leader in terms of both quality and the application of innovation.

FUTURE DEVELOPMENTS

There are no particular matters that the directors feel will significantly alter the ongoing development of the Group in the short and medium term.

DIRECTORS

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

J McGill
D W Dunbar-Jones
D R Milne
M Popov
C Y Hough
A R Swan
S J McGill

Other changes in directors holding office are as follows:

A Bambrook - resigned 20 December 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

SURELOCK MCGILL LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2022**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group'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 group's auditors are aware of that information.

AUDITORS

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
J McGill - Director

Date: 17/11/2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SURELOCK MCGILL LIMITED

Opinion

We have audited the financial statements of Surelock McGill Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 group's and of the parent company affairs as at 31 March 2022 and of the group's 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SURELOCK MCGILL LIMITED

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 Group 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 Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages three and four, 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SURELOCK MCGILL LIMITED

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:

We obtained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates. We determined that the following laws and regulations were most significant: FRS102 - the Financial Reporting Standard applicable in the UK & The Republic of Ireland, the Companies Act 2006 and relevant tax compliance regulations in the UK.

We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making enquiries of management.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where management considered there was susceptibility to fraud. Audit procedures performed by the audit team included:

- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Identifying and testing journal entries, with a focus on entries made with unusual accounting combinations;
- Confirming with management whether they have knowledge of any actual, suspected or illegal fraud;
- Evaluating whether there was evidence of bias by management that represents a risk of material misstatement due to fraud.

These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance with all laws and regulations.

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
SURELOCK MCGILL 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.



Ben Loveday FCCA (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants and Statutory Auditors
Advantage
87 Castle Street
Reading
Berkshire
RG1 7SN

Date: 17/11/2022.....

SURELOCK MCGILL LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
TURNOVER	4	26,029,086	18,304,485
Cost of sales		13,287,095	9,176,684
GROSS PROFIT		12,741,991	9,127,801
Administrative expenses		11,220,922	8,273,018
		1,521,069	854,783
Other operating income		95,645	388,466
OPERATING PROFIT	6	1,616,714	1,243,249
Interest receivable and similar income		42	-
		1,616,756	1,243,249
Interest payable and similar expenses	8	60,021	30,678
PROFIT BEFORE TAXATION		1,556,735	1,212,571
Tax on profit	9	53,095	289,543
PROFIT FOR THE FINANCIAL YEAR		1,503,640	923,028
OTHER COMPREHENSIVE INCOME			
Forex reserve movement		(140,160)	(72,708)
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		(140,160)	(72,708)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,363,480	850,320
Profit attributable to: Owners of the parent		1,503,640	923,028
Total comprehensive income attributable to: Owners of the parent		1,363,480	850,320

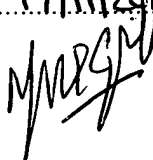
The notes form part of these financial statements

SURELOCK MCGILL LIMITED (REGISTERED NUMBER: 00684463)

**CONSOLIDATED BALANCE SHEET
31 MARCH 2022**

	Notes	£	2022 £	£	2021 £
FIXED ASSETS					
Intangible assets	12		472,115		46,667
Tangible assets	13		3,084,439		2,263,261
Investments	14		-		-
			<u>3,556,554</u>		<u>2,309,928</u>
CURRENT ASSETS					
Stocks	15	4,048,468		2,940,826	
Debtors	16	5,564,317		4,459,401	
Cash at bank and in hand		954,326		767,980	
			<u>10,567,111</u>	<u>8,168,207</u>	
CREDITORS					
Amounts falling due within one year	17	5,865,456		4,069,054	
			<u>4,701,655</u>	<u>4,099,153</u>	
NET CURRENT ASSETS					
			<u>8,258,209</u>	<u>6,409,081</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>6,225,300</u>	<u>5,224,082</u>	
CREDITORS					
Amounts falling due after more than one year	18		(1,484,254)		(856,009)
PROVISIONS FOR LIABILITIES	22		(548,655)		(328,990)
NET ASSETS			<u><u>6,225,300</u></u>		<u><u>5,224,082</u></u>
CAPITAL AND RESERVES					
Called up share capital	23		25,950		25,950
Capital redemption reserve	24		28,976		28,976
Foreign exchange reserve	24		(232,310)		(92,150)
Retained earnings	24		6,402,684		5,261,306
SHAREHOLDERS' FUNDS			<u><u>6,225,300</u></u>		<u><u>5,224,082</u></u>

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 17/11/2022 and were signed on its behalf by:



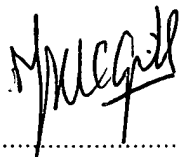
J McGill - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31 MARCH 2022

	Notes	£	2022 £	£	2021 £
FIXED ASSETS					
Intangible assets	12		-		-
Tangible assets	13		1,207,117		1,169,144
Investments	14		2,119,857		1,111,942
			<u>3,326,974</u>		<u>2,281,086</u>
CURRENT ASSETS					
Stocks	15	1,401,241		1,155,227	
Debtors	16	3,807,500		2,964,264	
Cash at bank		188,935		229,335	
			<u>5,397,676</u>	<u>4,348,826</u>	
CREDITORS					
Amounts falling due within one year	17	3,335,415		2,502,593	
			<u>2,062,261</u>		<u>1,846,233</u>
NET CURRENT ASSETS					
			<u>5,389,235</u>		<u>4,127,319</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS					
Amounts falling due after more than one year	18		(956,691)		(842,022)
PROVISIONS FOR LIABILITIES	22		(237,397)		(179,633)
			<u>4,195,147</u>		<u>3,105,664</u>
NET ASSETS					
CAPITAL AND RESERVES					
Called up share capital	23		25,950		25,950
Capital redemption reserve	24		28,976		28,976
Retained earnings	24		4,140,221		3,050,738
			<u>4,195,147</u>		<u>3,105,664</u>
SHAREHOLDERS' FUNDS					
Company's profit for the financial year			<u>1,451,745</u>		<u>475,352</u>

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 17/11/2022 and were signed on its behalf by:



.....
J McGill - Director

The notes form part of these financial statements

SURELOCK MCGILL LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Foreign exchange reserve £	Total equity £
Balance at 1 April 2020	25,950	4,700,540	28,976	(19,442)	4,736,024
Changes in equity					
Dividends	-	(362,262)	-	-	(362,262)
Total comprehensive income	-	923,028	-	(72,708)	850,320
Balance at 31 March 2021	<u>25,950</u>	<u>5,261,306</u>	<u>28,976</u>	<u>(92,150)</u>	<u>5,224,082</u>
Changes in equity					
Dividends	-	(362,262)	-	-	(362,262)
Total comprehensive income	-	1,503,640	-	(140,160)	1,363,480
Balance at 31 March 2022	<u><u>25,950</u></u>	<u><u>6,402,684</u></u>	<u><u>28,976</u></u>	<u><u>(232,310)</u></u>	<u><u>6,225,300</u></u>

The notes form part of these financial statements

SURELOCK MCGILL LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 April 2020	25,950	2,937,648	28,976	2,992,574
Changes in equity				
Dividends	-	(362,262)	-	(362,262)
Total comprehensive income	-	475,352	-	475,352
Balance at 31 March 2021	<u>25,950</u>	<u>3,050,738</u>	<u>28,976</u>	<u>3,105,664</u>
Changes in equity				
Dividends	-	(362,262)	-	(362,262)
Total comprehensive income	-	1,451,745	-	1,451,745
Balance at 31 March 2022	<u>25,950</u>	<u>4,140,221</u>	<u>28,976</u>	<u>4,195,147</u>

The notes form part of these financial statements

SURELOCK MCGILL LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	445,235	2,296,529
Interest paid		(11,737)	(6,576)
Interest element of hire purchase payments paid		(48,284)	(24,102)
Tax paid		(40,996)	(68,405)
Net cash from operating activities		<u>344,218</u>	<u>2,197,446</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(11,424)	(50,000)
Purchase of tangible fixed assets		(1,388,690)	(1,067,925)
Sale of tangible fixed assets		-	17,837
Interest received		42	-
Net cash from investing activities		<u>(1,400,072)</u>	<u>(1,100,088)</u>
Cash flows from financing activities			
Loan repayments in year		122,765	427,656
Capital repayments in year		370,171	330,941
Equity dividends paid		(362,262)	(362,262)
Net cash from financing activities		<u>130,674</u>	<u>396,335</u>
(Decrease)/increase in cash and cash equivalents		(925,180)	1,493,693
Cash and cash equivalents at beginning of year	2	482,769	(938,216)
Effect of foreign exchange rate changes		(502)	(72,708)
Cash and cash equivalents at end of year	2	<u>(442,913)</u>	<u>482,769</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

1. RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
Profit for the financial year	1,503,640	923,028
Depreciation charges	753,988	386,249
Profit on disposal of fixed assets	-	(2,426)
Forex reserve movement	(140,160)	1,992
Finance costs	60,021	30,678
Finance income	(42)	-
Taxation	53,095	289,543
	<u>2,230,542</u>	<u>1,629,064</u>
(Increase)/decrease in stocks	(1,107,642)	352,146
Increase in trade and other debtors	(1,038,142)	(51,785)
Increase in trade and other creditors	360,477	367,104
	<u>445,235</u>	<u>2,296,529</u>
Cash generated from operations	<u><u>445,235</u></u>	<u><u>2,296,529</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2022

	31/3/22	1/4/21
	£	£
Cash and cash equivalents	954,326	767,980
Bank overdrafts	(1,397,239)	(285,211)
	<u>(442,913)</u>	<u>482,769</u>

Year ended 31 March 2021

	31/3/21	1/4/20
	£	£
Cash and cash equivalents	767,980	539,154
Bank overdrafts	(285,211)	(1,477,370)
	<u>482,769</u>	<u>(938,216)</u>

The notes form part of these financial statements

SURELOCK MCGILL LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/21 £	Cash flow £	At 31/3/22 £
Net cash			
Cash at bank and in hand	767,980	186,346	954,326
Bank overdrafts	(285,211)	(1,112,028)	(1,397,239)
	<u>482,769</u>	<u>(925,682)</u>	<u>(442,913)</u>
Debt			
Finance leases	(852,848)	(370,171)	(1,223,019)
Debts falling due within 1 year	(111,111)	(73,497)	(184,608)
Debts falling due after 1 year	(351,851)	(49,268)	(401,119)
	<u>(1,315,810)</u>	<u>(492,936)</u>	<u>(1,808,746)</u>
Total	<u><u>(833,041)</u></u>	<u><u>(1,418,618)</u></u>	<u><u>(2,251,659)</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. STATUTORY INFORMATION

Surelock McGill 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 General Information page.

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

These financial statements represent the results of the Company and its subsidiaries, from the manufacture and maintenance of locks, door locking systems and security doors.

Going Concern

The financial statements have been prepared on a going concern basis. The Directors have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the Directors have tested their cash flow analysis to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2014.

2. ACCOUNTING POLICIES - continued

Revenue

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

Sale of goods

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

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

Rendering of services

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

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

Goodwill

Goodwill represents the difference between the amounts paid on the cost of a business combination and the acquirers interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated statement of comprehensive income over its useful economic life.

The estimated useful lives range as follows:

Goodwill - 5 years

2. **ACCOUNTING POLICIES - continued**

Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

- Property improvements - shorter of 25 years and the life of the lease
- Plant & machinery - 3 to 10 years
- Motor vehicles - 5 years
- Fixtures & fittings - 4 to 5 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

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

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2. **ACCOUNTING POLICIES - continued**

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Finance costs

Finance costs are charged to the consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Dividends

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

Operating leases

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2. ACCOUNTING POLICIES - continued

Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the consolidated statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

Interest income

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

Borrowing costs

All borrowing costs are recognised in the consolidated statement of comprehensive income in the year in which they are incurred.

Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2. **ACCOUNTING POLICIES - continued**

Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currency translation

Functional and presentation currency

The Group's functional and presentational currency is GBP.

Transactions and balances

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

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

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

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements can require management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include the useful economic life of tangible fixed assets, together with overhead absorption rates and labour hours in the context of valuing inventory. Other less significant areas include the assessment of any provision for obsolete stock and doubtful debts, together with certain accruals.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	24,014,005	16,838,813
Rest of the world	2,015,081	1,465,672
	<u>26,029,086</u>	<u>18,304,485</u>

5. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	7,647,743	6,599,786
Social security costs	727,624	578,382
Other pension costs	230,985	176,178
	<u>8,606,352</u>	<u>7,354,346</u>

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

	2022	2021
Management	45	31
Administration	66	65
Production	114	88
	<u>225</u>	<u>184</u>

	2022	2021
	£	£
Directors' remuneration	726,892	650,585
Directors' pension contributions to money purchase schemes	43,075	18,040
	<u>770,967</u>	<u>668,625</u>

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

Money purchase schemes	<u>7</u>	<u>6</u>
------------------------	----------	----------

SURELOCK MCGILL LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022****5. EMPLOYEES AND DIRECTORS - continued**

Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Emoluments etc	150,000	119,048
Pension contributions to money purchase schemes	5,579	6,392
	<u>155,579</u>	<u>125,440</u>

6. OPERATING PROFIT

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

	2022	2021
	£	£
Hire of plant and machinery	164,363	66,288
Other operating leases	647,671	493,151
Depreciation - owned assets	350,748	198,305
Depreciation - assets on hire purchase contracts	217,265	184,611
Profit on disposal of fixed assets	-	(2,426)
Goodwill amortisation	99,188	3,333
Development costs amortisation	86,788	-
Foreign exchange differences	(31,822)	(9,787)
	<u>1,523,533</u>	<u>1,353,545</u>

7. AUDITORS' REMUNERATION

	2022	2021
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	23,000	21,000
	<u>23,000</u>	<u>21,000</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest	2,773	15
Interest on overdue tax	-	701
Loan	8,912	5,860
Interest payable	52	-
Hire purchase	48,284	24,102
	<u>60,021</u>	<u>30,678</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2022 £	2021 £
Current tax:		
UK corporation tax	(1,691)	149,722
Adjustment in respect of prior year	(125,107)	19,642
Total current tax	(126,798)	169,364
Deferred tax	179,893	120,179
Tax on profit	<u>53,095</u>	<u>289,543</u>

Reconciliation of total tax charge 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:

	2022 £	2021 £
Profit before tax	<u>1,556,735</u>	<u>1,212,571</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	295,780	230,388
Effects of:		
Expenses not deductible for tax purposes	28,242	5,335
Capital allowances in excess of depreciation	(103,881)	(35,932)
Utilisation of tax losses	-	114,837
Adjustments to tax charge in respect of previous periods subsidiaries	(125,107)	19,642
Deferred tax	179,893	-
Additional deduction for R&D expenditure	(139,555)	(42,850)
Other differences	57,215	7,803
Trade loss b/fwd	-	(9,680)
Release of intercompany provision	(139,492)	-
Total tax charge	<u>53,095</u>	<u>289,543</u>

Tax effects relating to effects of other comprehensive income

	Gross £	Tax £	2022 Net £
Forex reserve movement	<u>(140,160)</u>	<u>-</u>	<u>(140,160)</u>



SURELOCK MCGILL LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

9. TAXATION - continued

	Gross £	Tax £	2021 Net £
Forex reserve movement	(72,708)	-	(72,708)

10. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

11. DIVIDENDS

	2022 £	2021 £
Ordinary shares of £1 each Final	362,262	362,262

12. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Development costs £	Totals £
COST			
At 1 April 2021	454,907	-	454,907
Additions	485,990	125,434	611,424
At 31 March 2022	940,897	125,434	1,066,331
AMORTISATION			
At 1 April 2021	408,240	-	408,240
Amortisation for year	99,188	86,788	185,976
At 31 March 2022	507,428	86,788	594,216
NET BOOK VALUE			
At 31 March 2022	433,469	38,646	472,115
At 31 March 2021	46,667	-	46,667

SURELOCK MCGILL LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

13. TANGIBLE FIXED ASSETS

Group

	Long leasehold £	Property improvements £	Plant and machinery £
COST			
At 1 April 2021	-	1,078,255	4,433,058
Additions	2,915	383,691	851,902
Exchange differences	-	366	728
At 31 March 2022	<u>2,915</u>	<u>1,462,312</u>	<u>5,285,688</u>
DEPRECIATION			
At 1 April 2021	-	737,433	2,942,572
Charge for year	194	100,847	320,257
Exchange differences	-	236	625
At 31 March 2022	<u>194</u>	<u>838,516</u>	<u>3,263,454</u>
NET BOOK VALUE			
At 31 March 2022	<u>2,721</u>	<u>623,796</u>	<u>2,022,234</u>
At 31 March 2021	<u>-</u>	<u>340,822</u>	<u>1,490,486</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 April 2021	1,201,070	522,028	151,407	7,385,818
Additions	70,484	39,423	40,275	1,388,690
Exchange differences	860	-	895	2,849
At 31 March 2022	<u>1,272,414</u>	<u>561,451</u>	<u>192,577</u>	<u>8,777,357</u>
DEPRECIATION				
At 1 April 2021	1,055,994	271,454	115,105	5,122,558
Charge for year	59,201	71,539	15,975	568,013
Exchange differences	800	-	686	2,347
At 31 March 2022	<u>1,115,995</u>	<u>342,993</u>	<u>131,766</u>	<u>5,692,918</u>
NET BOOK VALUE				
At 31 March 2022	<u>156,419</u>	<u>218,458</u>	<u>60,811</u>	<u>3,084,439</u>
At 31 March 2021	<u>145,076</u>	<u>250,574</u>	<u>36,302</u>	<u>2,263,260</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

13. TANGIBLE FIXED ASSETS - continued

Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Property improvements £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 April 2021	18,463	1,426,965	62,192	327,062	1,834,682
Additions	-	345,548	-	35,481	381,029
Disposals	(18,463)	-	-	-	(18,463)
At 31 March 2022	-	1,772,513	62,192	362,543	2,197,248
DEPRECIATION					
At 1 April 2021	8,000	504,890	17,718	117,572	648,180
Charge for year	-	146,987	13,920	56,358	217,265
Eliminated on disposal	(8,000)	-	-	-	(8,000)
At 31 March 2022	-	651,877	31,638	173,930	857,445
NET BOOK VALUE					
At 31 March 2022	-	1,120,636	30,554	188,613	1,339,803
At 31 March 2021	10,463	922,075	44,474	209,490	1,186,502

Company

	Property improvements £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 April 2021	528,731	3,190,741	1,098,923	61,555	4,879,950
Additions	-	246,781	50,402	-	297,183
At 31 March 2022	528,731	3,437,522	1,149,325	61,555	5,177,133
DEPRECIATION					
At 1 April 2021	470,753	2,225,326	962,824	51,903	3,710,806
Charge for year	21,547	182,931	52,251	2,481	259,210
At 31 March 2022	492,300	2,408,257	1,015,075	54,384	3,970,016
NET BOOK VALUE					
At 31 March 2022	36,431	1,029,265	134,250	7,171	1,207,117
At 31 March 2021	57,978	965,415	136,099	9,652	1,169,144

SURELOCK MCGILL LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

13. TANGIBLE FIXED ASSETS - continued

Company

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST				
At 1 April 2021	1,318,130	62,192	39,649	1,419,971
Additions	171,522	-	-	171,522
	<u>1,489,652</u>	<u>62,192</u>	<u>39,649</u>	<u>1,591,493</u>
At 31 March 2022				
DEPRECIATION				
At 1 April 2021	465,598	17,718	31,792	515,108
Charge for year	127,210	13,920	1,848	142,978
	<u>592,808</u>	<u>31,638</u>	<u>33,640</u>	<u>658,086</u>
At 31 March 2022				
NET BOOK VALUE				
At 31 March 2022	<u>896,844</u>	<u>30,554</u>	<u>6,009</u>	<u>933,407</u>
At 31 March 2021	<u>852,532</u>	<u>44,474</u>	<u>7,857</u>	<u>904,863</u>

14. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings
	£
COST	
At 1 April 2021	1,111,942
Additions	1,007,915
	<u>2,119,857</u>
At 31 March 2022	
NET BOOK VALUE	
At 31 March 2022	<u>2,119,857</u>
At 31 March 2021	<u>1,111,942</u>

SURELOCK MCGILL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

14. FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Stafford Bridge Doors

Registered office: UK

Nature of business: Manufacture of security doors

Class of shares:	%
Ordinary	holding 100.00

Tindall Engineering Limited

Registered office: UK

Nature of business: Manufacture of locking systems

Class of shares:	%
Ordinary	holding 100.00

Safe Locking Limited

Registered office: UK

Nature of business: Resale of locks

Class of shares:	%
Ordinary	holding 100.00

247 National Limited

Registered office: UK

Nature of business: Maintenance and support services

Class of shares:	%
Ordinary	holding 100.00

Surelock McGill Group Limited

Registered office: UK

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Surelock Group Limited

Registered office: UK

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Surelock McGill LLC

Registered office: USA

Nature of business: Manufacture of locking systems

Class of shares:	%
Ordinary	holding 100.00

SURELOCK MCGILL LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

14. FIXED ASSET INVESTMENTS - continued

Amesbury Locks Limited

Registered office: UK

Nature of business: Manufacture of locking systems

Class of shares:	%
Ordinary	holding 100.00

BenweldSecure Limited

Registered office: UK

Nature of business: Manufacture of locking systems

Class of shares:	%
Ordinary	holding 100.00

The Company acquired 100% of the share capital of Benweldsecure Limited during the year.

15. STOCKS

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Raw materials	2,739,408	2,258,882	726,311	551,869
Work-in-progress	319,084	214,857	37,339	140,129
Finished goods	989,976	467,087	637,591	463,229
	<u>4,048,468</u>	<u>2,940,826</u>	<u>1,401,241</u>	<u>1,155,227</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	4,926,055	3,640,727	923,663	416,982
Amounts owed by group undertakings	-	-	2,624,778	2,111,683
Other debtors	268,599	203,658	122,131	110,673
Tax	146,535	79,763	70,164	44,749
VAT	6,326	67,370	6,326	67,370
Prepayments and accrued income	216,802	467,883	60,438	212,807
	<u>5,564,317</u>	<u>4,459,401</u>	<u>3,807,500</u>	<u>2,964,264</u>

SURELOCK MCGILL LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts (see note 19)	1,533,850	396,322	429,726	111,111
Other loans (see note 19)	47,997	-	-	-
Hire purchase contracts (see note 20)	439,884	348,690	207,937	164,293
Trade creditors	2,095,281	1,713,214	655,292	574,840
Amounts owed to group undertakings	-	-	875,770	859,627
Tax	55,970	156,992	-	19,800
Social security and other taxes	330,123	398,876	116,361	106,788
Other creditors	235,025	160,550	167,698	77,142
Deferred consideration	300,000	-	300,000	-
Accruals and deferred income	827,326	894,410	582,631	588,992
	<u>5,865,456</u>	<u>4,069,054</u>	<u>3,335,415</u>	<u>2,502,593</u>

Finance leases are secured on the underlying assets. Bank loans and overdrafts are secured by a fixed and floating charge over the assets of the Group, and by a personal guarantee of £150,000 given by a director. Assets acquired under hire purchase contracts are secured on the underlying assets.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans (see note 19)	297,740	351,851	240,740	351,851
Other loans (see note 19)	103,379	-	-	-
Hire purchase contracts (see note 20)	783,135	504,158	415,951	490,171
Deferred consideration	300,000	-	300,000	-
	<u>1,484,254</u>	<u>856,009</u>	<u>956,691</u>	<u>842,022</u>

SURELOCK MCGILL LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

19. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	1,397,239	285,211	318,615	-
Bank loans	136,611	111,111	111,111	111,111
Other loans	47,997	-	-	-
	<u>1,581,847</u>	<u>396,322</u>	<u>429,726</u>	<u>111,111</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	168,111	111,111	111,111	111,111
Other loans - 1-2 years	103,379	-	-	-
	<u>271,490</u>	<u>111,111</u>	<u>111,111</u>	<u>111,111</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	129,629	240,740	129,629	240,740

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	439,884	348,690
Between one and five years	783,135	504,158
	<u>1,223,019</u>	<u>852,848</u>

Company

	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	207,937	164,293
Between one and five years	415,951	490,171
	<u>623,888</u>	<u>654,464</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

20. LEASING AGREEMENTS - continued

Group

	Non-cancellable operating leases	
	2022	2021
	£	£
Within one year	396,245	364,435
Between one and five years	391,427	490,643
	<u>787,672</u>	<u>855,078</u>

Company

	Non-cancellable operating leases	
	2022	2021
	£	£
Within one year	288,364	298,483
Between one and five years	67,666	356,030
	<u>356,030</u>	<u>654,513</u>

21. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank overdrafts	1,397,239	285,211	318,615	-
Bank loans	434,351	462,962	351,851	462,962
Hire purchase contracts	1,223,019	852,848	623,888	654,464
	<u>3,054,609</u>	<u>1,601,021</u>	<u>1,294,354</u>	<u>1,117,426</u>

Finance leases are secured on the underlying assets. Bank loans and overdrafts are secured by a fixed and floating charge over the assets of Group, and by a personal guarantee of £150,000 given by a director. Assets acquired under hire purchase contracts are secured on the underlying assets.

22. PROVISIONS FOR LIABILITIES

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Deferred tax	548,655	328,990	237,397	179,633
	<u>548,655</u>	<u>328,990</u>	<u>237,397</u>	<u>179,633</u>

24. RESERVES - continued

Company

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 April 2021	3,050,738	28,976	3,079,714
Profit for the year	1,451,745		1,451,745
Dividends	(362,262)		(362,262)
	<u>4,140,221</u>	<u>28,976</u>	<u>4,169,197</u>
At 31 March 2022	<u>4,140,221</u>	<u>28,976</u>	<u>4,169,197</u>

25. PENSION COMMITMENTS

The Group operates various defined contribution pension schemes, the assets of which are held separately from those of the Group in independently administered funds.

The pension cost charge represents contributions payable by the Group to the schemes and amounted to £229,196 (2021 - £176,178).

Contributions totalling £49,018 (2021 - £43,793) were payable to the schemes at the balance sheet date and are included in creditors.

26. CONTINGENT LIABILITIES

The Company is part of a group invoice discounting facility and has provided a cross guarantee in respect of this. At the year end, there was a contingent liability arising there from of £1,314,030 (2021 - £287,211). The other group companies party to the invoice discounting agreement are Stafford Bridge Doors Limited and Tindall Engineering Limited.

27. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

At the balance sheet date, an amount of £70,782 (2021 - £63,454) was owed to the Group by a director, under an interest-free loan arrangement, repayable on demand.

28. ULTIMATE CONTROLLING PARTY

The Group has been under the control of J McGill, director and majority shareholder, throughout the current and previous year.

29. SHARE-BASED PAYMENT TRANSACTIONS

As at 31 March 2022, the company had granted 1,365 share options to certain employees under an EMI share option scheme.

The options have an exercise price of £10.98 per share, and may not be exercised unless and until the company is subject to a sale. The options lapse after ten years.

The fair value of the share options has been considered, and is deemed to be immaterial to the Company and the Group on the basis that the vesting conditions are considered to be remote at the balance sheet date. On this basis the directors have not provided for a share based payment reserve or recognised a charge in the profit and loss account for the share based payments.