

REGISTERED NUMBER: 04211244 (England and Wales)

REGALEAD LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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FOR THE YEAR ENDED 31 DECEMBER 2022

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REGALEAD LIMITED

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

DIRECTORS: J Whalley
D S Baker
G R Hubble
C A Regan

SECRETARY: C A Regan

REGISTERED OFFICE: Columbus House
Altrincham Road
Sharston
Manchester
M22 9AF

REGISTERED NUMBER: 04211244 (England and Wales)

AUDITORS: Clarke Nicklin LLP
Chartered Accountants and
Statutory Auditors
Clarke Nicklin House
Brooks Drive
Cheadle Royal Business Park
Cheadle
Cheshire
SK8 3TD

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their strategic report for the year ended 31 December 2022.

REVIEW OF BUSINESS

The year to 31 December 2022 was disappointing from a trading perspective. The company benefitted from pent up demand in 2021, with the market unable to reach similar heights in 2022.

There were similar strains on the supply chain as seen in the previous year, with raw material increases rising at unprecedented levels. However, bottlenecks in the supply chain began to ease with freight beginning to reduce as the year came to a close from their unprecedented levels, seen in 2021.

FINANCIAL PERFORMANCE INDICATORS

The company made a net profit of £358,962 (2021: net profit £647,030). Turnover for the year at £11,919K decreased by 8% compared with 2021 at £12,913K. This year-on-year comparison is a significant decrease, and the directors consider this a reflection of the downwards trend in the market after the unprecedented demand seen in 2021.

Gross margin was static at 29% (2021: 29%) as the company suffered further price increases on raw materials and passed on the minimum to the customer base. Freight costs continued for most of the year at unprecedented levels also seen in 2021, with the surcharging policy continuing for the year to recover the costs from the customer base. Administrative expenses reduced slightly in the year (2022 £3,072K versus 2021 £3,146K) with a focus on better cost control throughout the business.

The directors are satisfied with the results for 2022 given the market dynamic and have identified a number of significant margin and operational improvements as key strategic issues for 2023 and onwards. The directors believe that both will lead to improved financial performance in the future.

PRINCIPAL RISKS AND UNCERTAINTIES

The key principal risks facing the group are:

The current economic climate presents uncertainty in the market, with inflation, cost-of-living and energy crisis all being contributing factors. These risks will significantly impact upon future trading conditions of the business and significantly increase the cost of manufactured product, which the business will be forced to pass onto its customer base.

Raw material costs have significantly increased since the beginning of the coronavirus pandemic, as demand far outweighs supply. Whilst this has caused some issues during the year, the group's current supply base is well positioned to supply raw materials and deal with market conditions in the future.

The group has exposure to foreign currencies and mitigates this risk where it is feasible and cost effective to do so through currency forwards contracts. There was no currency forwards contract entered into that was outstanding as at 31 December 2022.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

RegaLead derives 15.2% (2021:15.3%) of its revenues from lead products. The manufacture of lead strip is subject to sector specific Health and Safety and IPPC (environmental) regulations. Whilst RegaLead is fully compliant in its manufacturing and distribution processes, there is a future risk that change in either of these sets of regulations could affect the economic viability of manufacture, or else the distribution of the lead products into certain world territories.

ON BEHALF OF THE BOARD:

D S Baker - Director

22 September 2023

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

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a provider of decorative products for the glass, windows, and door industries.

DIVIDENDS

The total distribution of dividends in the period ended 31 December 2022 was £235,446 (2021: £159,076).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

J Whalley
D S Baker
G R Hubble
C A Regan

Other changes in directors holding office are as follows:

V H Cruise - resigned 1 May 2022

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

REGALEAD LIMITED (REGISTERED NUMBER: 04211244)

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

AUDITORS

The auditors, Clarke Nicklin LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

D S Baker - Director

22 September 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF REGALEAD LIMITED

Opinion

We have audited the financial statements of Regalead Limited (the 'company') for the year ended 31 December 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement 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 December 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF REGALEAD 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 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.

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 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF REGALEAD 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:

Procedures to identify risks:

- enquiring of management concerning the company's procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas: timing of recognition of sales and purchases and their related stock movements, posting of unusual journals; and
- obtaining an understanding of the legal and regulatory frameworks that the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the company. The key laws and regulations we considered in this context included UK Companies Act, employment law, health and safety, pensions legislation and tax legislation.

The procedures to respond to risks identified included:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing correspondence with HMRC;
- testing the timing and matching of income and expense transactions relating to stock movements either side of the year end; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulation that are not closely related to events and transactions reflected in the financial statements. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment, by for example, forgery or intentional misrepresentation, or through collusion.

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
REGALEAD 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.

Graham Travis FCA (Senior Statutory Auditor)
for and on behalf of Clarke Nicklin LLP
Chartered Accountants and
Statutory Auditors
Clarke Nicklin House
Brooks Drive
Cheadle Royal Business Park
Cheadle
Cheshire
SK8 3TD

22 September 2023

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
TURNOVER	3	11,919,259	12,912,715
Cost of sales		<u>8,406,739</u>	<u>9,089,023</u>
GROSS PROFIT		3,512,520	3,823,692
Administrative expenses		<u>3,072,487</u>	<u>3,146,420</u>
		440,033	677,272
Other operating income		<u>114,646</u>	<u>165,716</u>
OPERATING PROFIT	5	554,679	842,988
Interest payable and similar expenses	6	<u>77,533</u>	<u>49,017</u>
PROFIT BEFORE TAXATION		477,146	793,971
Tax on profit	7	<u>118,184</u>	<u>146,941</u>
PROFIT FOR THE FINANCIAL YEAR		<u>358,962</u>	<u>647,030</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		358,962	647,030
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>358,962</u>	<u>647,030</u>

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
FIXED ASSETS					
Intangible assets	9		98,583		117,800
Tangible assets	10		1,036,966		1,033,468
Investments	11		6,279		6,279
Investment property	12		708,671		647,356
			<u>1,850,499</u>		<u>1,804,903</u>
CURRENT ASSETS					
Stocks	13	2,479,312		3,088,337	
Debtors	14	1,942,814		1,793,309	
Cash at bank and in hand		<u>3,869</u>		<u>68,148</u>	
		4,425,995		4,949,794	
CREDITORS					
Amounts falling due within one year	15	<u>1,970,724</u>		<u>2,431,718</u>	
NET CURRENT ASSETS			<u>2,455,271</u>		<u>2,518,076</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,305,770		4,322,979
CREDITORS					
Amounts falling due after more than one year	16		(814,300)		(926,635)
PROVISIONS FOR LIABILITIES	20		<u>(194,456)</u>		<u>(222,846)</u>
NET ASSETS			<u>3,297,014</u>		<u>3,173,498</u>
CAPITAL AND RESERVES					
Called up share capital	21		5,340		5,340
Share premium	22		100,000		100,000
Capital redemption reserve	22		4,660		4,660
Retained earnings	22		3,187,014		3,063,498
SHAREHOLDERS' FUNDS			<u>3,297,014</u>		<u>3,173,498</u>

The notes form part of these financial statements

BALANCE SHEET - continued
31 DECEMBER 2022

The financial statements were approved by the Board of Directors and authorised for issue on 22 September 2023 and were signed on its behalf by:

C A Regan - Director

D S Baker - Director

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

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 January 2021	5,340	2,575,544	100,000	4,660	2,685,544
Changes in equity					
Dividends	-	(159,076)	-	-	(159,076)
Total comprehensive income	-	647,030	-	-	647,030
Balance at 31 December 2021	5,340	3,063,498	100,000	4,660	3,173,498
Changes in equity					
Dividends	-	(235,446)	-	-	(235,446)
Total comprehensive income	-	358,962	-	-	358,962
Balance at 31 December 2022	5,340	3,187,014	100,000	4,660	3,297,014

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	24	1,134,594	565,251
Interest paid		(73,741)	(45,770)
Interest element of hire purchase payments paid		(3,792)	(3,247)
Tax paid		(141,690)	(71,718)
Net cash from operating activities		<u>915,371</u>	<u>444,516</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(30,745)	(18,738)
Purchase of tangible fixed assets		(122,486)	(87,301)
Sale of tangible fixed assets		17,707	-
Net cash from investing activities		<u>(135,524)</u>	<u>(106,039)</u>
Cash flows from financing activities			
New loans in year		144,314	-
Loan repayments in year		(722,320)	(92,129)
HP repayments in year		(36,300)	(31,253)
Equity dividends paid		(235,446)	(159,076)
Net cash from financing activities		<u>(849,752)</u>	<u>(282,458)</u>
(Decrease)/increase in cash and cash equivalents		<u>(69,905)</u>	<u>56,019</u>
Cash and cash equivalents at beginning of year	25	68,148	12,129
Cash and cash equivalents at end of year	25	<u>(1,757)</u>	<u>68,148</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. **COMPANY INFORMATION**

Regalead Limited ("the Company") is a limited company incorporated in the United Kingdom. The address of its registered office and principal place of business is Columbus House, Altrincham Road, Sharston, Manchester, M22 9AF.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" ("FRS 102") and applicable legislation as set out in the Companies Act 2006 and Schedule 1 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. These financial statements have been prepared under the historical costs convention.

The financial statements are presented in Sterling (£).

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have reached this conclusion giving due consideration to the projected future performance of the company, any potential risk that might impact the company's ability to meet its required solvency levels, and the position with regard to bank borrowing. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Preparation of consolidated financial statements

The financial statements contain information about RegaLead Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 405 of the Companies Act 2006 not to prepare consolidated financial statements, as its subsidiary undertakings taken together are not material for the purposes of giving a true and fair view.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Significant judgements and estimates

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

The following judgements have had the most significant effect on amounts recognised in the financial statements;
Depreciation - The useful life of fixed assets can vary significantly. Estimates are based on historic experience and current expectations of useful life. The size of prior year gains and losses on disposal are also factored in to estimates.

Stock provision - The net realisable value of stock is assessed by the directors regularly. A provision is made where this falls below the cost. The provision is based on an ageing formula that has been reviewed and updated based on historic outcomes and current marketability of products.

Bad debts - The directors regularly review debts and provide for those which are doubtful. Note 6 details an exceptional bad debt provision.

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

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover is recognised on dispatch of goods.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of part of the trade and assets of French plc in 2001, is now fully amortised.

Computer software

Computer software is being amortised over its useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Long leasehold	- 2% on cost
Plant and machinery	- 10% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

Investment property

Investment property is shown at the most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the income statement.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

2. **ACCOUNTING POLICIES - continued**

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the income statement over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

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

2. ACCOUNTING POLICIES - continued

Financial assets

Basic financial assets, including trade debtors, cash and bank balances and amounts owed by group undertakings, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 the income statement.

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 the income statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial Liabilities

Basic financial liabilities, including trade creditors and amounts owed to group undertakings, 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 receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors 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.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

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

2. ACCOUNTING POLICIES - continued

Derivative financial instruments

Where facilities are available, the company uses derivative instruments to reduce exposure to foreign exchange risk. The company does not hold or issue derivative financial instruments for speculative purposes.

Derivative financial instruments are initially recognised at cost when contracts are entered in to. At the end of each reporting period they are measured at fair value, with changes in fair value transferred to the income statement.

Invoice discounting advances

The company uses an invoice discounting facility and has adopted separate presentation whereby gross debts are included as an asset and the amount due to the factoring company is included within creditors. The interest and charges are recognised as they accrue and are included in the income statement.

Trade debtors

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost less allowances for situations where recovery is doubtful. Such allowances are based on an individual assessment of each receivable.

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	10,928,804	11,705,599
Europe	451,361	684,668
Rest of world	539,094	522,448
	<u>11,919,259</u>	<u>12,912,715</u>

4. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	2,321,545	2,408,857
Social security costs	215,805	205,601
Other pension costs	75,940	63,448
	<u>2,613,290</u>	<u>2,677,906</u>

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

4. EMPLOYEES AND DIRECTORS - continued

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

	2022	2021
Production and warehouse	72	75
Administration	7	7
Sales	15	16
	<u>94</u>	<u>98</u>

	2022	2021
	£	£
Directors' remuneration	263,230	264,690
Directors' pension contributions to money purchase schemes	<u>12,102</u>	<u>12,019</u>

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

Money purchase schemes	<u>2</u>	<u>3</u>
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Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Emoluments etc	<u>132,985</u>	<u>130,885</u>

5. OPERATING PROFIT

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

	2022	2021
	£	£
Depreciation - owned assets	118,218	118,191
Depreciation - assets on hire purchase contracts	39,873	37,257
Profit on disposal of fixed assets	(1,041)	(33,750)
Computer software amortisation	49,962	49,962
Auditors' remuneration - audit services	21,425	22,540
Auditors' remuneration - other services	9,470	12,865
Operating leases - land and buildings	268,829	243,747
Operating leases - other	53,671	43,967
Foreign exchange (gains)/losses	42,466	22,126
Government grants	<u>-</u>	<u>(78,171)</u>

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

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank loan interest	44,673	30,133
Invoice discounting interest	27,385	15,637
Other loan interest	1,683	-
Hire purchase	3,792	3,247
	<u>77,533</u>	<u>49,017</u>

7. 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	91,224	142,936
Under/(over) provision for corporation tax in prior year	1,670	(3,199)
Total current tax	<u>92,894</u>	<u>139,737</u>
Deferred tax	25,290	7,204
Tax on profit	<u>118,184</u>	<u>146,941</u>

UK corporation tax has been charged at 19% (2021 - 19%).

Reconciliation of total tax charge included in profit and loss

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

	2022	2021
	£	£
Profit before tax	<u>477,146</u>	<u>793,971</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	90,658	150,854
Effects of:		
Expenses not deductible for tax purposes	5,014	3,870
Adjustments to tax charge in respect of previous periods	1,670	(3,199)
Adjustments to tax charge in respect of rate changes	26,270	-
Super deduction	(5,428)	(4,584)
Total tax charge	<u>118,184</u>	<u>146,941</u>

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

8. DIVIDENDS

	2022 £	2021 £
Ordinary A shares of £1 each Interim	99,773	74,127
Ordinary B shares of £1 each Interim	111,661	84,949
Ordinary C shares of £1 each Interim	<u>24,012</u>	<u>-</u>
	<u>235,446</u>	<u>159,076</u>

9. INTANGIBLE ASSETS

	Goodwill £	Computer software £	Totals £
COST			
At 1 January 2022	863,165	268,551	1,131,716
Additions	-	30,745	30,745
At 31 December 2022	<u>863,165</u>	<u>299,296</u>	<u>1,162,461</u>
AMORTISATION			
At 1 January 2022	863,165	150,751	1,013,916
Amortisation for year	-	49,962	49,962
At 31 December 2022	<u>863,165</u>	<u>200,713</u>	<u>1,063,878</u>
NET BOOK VALUE			
At 31 December 2022	<u>-</u>	<u>98,583</u>	<u>98,583</u>
At 31 December 2021	<u>-</u>	<u>117,800</u>	<u>117,800</u>

No amortisation has been charged on brought forward computer software of £18,738 and additions of £30,745 which remain in a development phase.

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

10. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 January 2022	660,939	1,508,940	578,043
Additions	-	53,799	7,115
Disposals	-	-	-
At 31 December 2022	<u>660,939</u>	<u>1,562,739</u>	<u>585,158</u>
DEPRECIATION			
At 1 January 2022	67,443	1,254,381	533,760
Charge for year	22,222	62,928	21,543
Eliminated on disposal	-	-	-
At 31 December 2022	<u>89,665</u>	<u>1,317,309</u>	<u>555,303</u>
NET BOOK VALUE			
At 31 December 2022	<u>571,274</u>	<u>245,430</u>	<u>29,855</u>
At 31 December 2021	<u>593,496</u>	<u>254,559</u>	<u>44,283</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2022	171,668	513,874	3,433,464
Additions	113,769	3,572	178,255
Disposals	(19,999)	-	(19,999)
At 31 December 2022	<u>265,438</u>	<u>517,446</u>	<u>3,591,720</u>
DEPRECIATION			
At 1 January 2022	46,030	498,382	2,399,996
Charge for year	44,054	7,344	158,091
Eliminated on disposal	(3,333)	-	(3,333)
At 31 December 2022	<u>86,751</u>	<u>505,726</u>	<u>2,554,754</u>
NET BOOK VALUE			
At 31 December 2022	<u>178,687</u>	<u>11,720</u>	<u>1,036,966</u>
At 31 December 2021	<u>125,638</u>	<u>15,492</u>	<u>1,033,468</u>

No depreciation has been charged on plant and machinery additions of £44,538 which are not yet available to bring into use.

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

10. TANGIBLE FIXED ASSETS - continued

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

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2022	131,214	11,735	142,949
Additions	75,769	-	75,769
At 31 December 2022	<u>206,983</u>	<u>11,735</u>	<u>218,718</u>
DEPRECIATION			
At 1 January 2022	39,241	2,282	41,523
Charge for year	35,961	3,912	39,873
At 31 December 2022	<u>75,202</u>	<u>6,194</u>	<u>81,396</u>
NET BOOK VALUE			
At 31 December 2022	<u>131,781</u>	<u>5,541</u>	<u>137,322</u>
At 31 December 2021	<u>91,973</u>	<u>9,453</u>	<u>101,426</u>

11. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 January 2022 and 31 December 2022	<u>20,161</u>
PROVISIONS	
At 1 January 2022 and 31 December 2022	<u>13,882</u>
NET BOOK VALUE	
At 31 December 2022	<u>6,279</u>
At 31 December 2021	<u>6,279</u>

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

Stained Glass Overlay UK Limited

Registered office: Columbus House, Altrincham Road, Sharston, Manchester, M22 9AF.

Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

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

11. **FIXED ASSET INVESTMENTS - continued**

Instalead Limited

Registered office: Columbus House, Altrincham Road, Sharston, Manchester, M22 9AF.
Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Door Glass Limited

Registered office: Columbus House, Altrincham Road, Sharston, Manchester, M22 9AF.
Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Regalead (Canada) Limited

Registered office: 285 Vaughan Valley Blvd, Woodbridge, Ontario, Canada, L4H-3B5
Nature of business: Sale of decorative and creative glass

Class of shares:	%
Ordinary	holding 100.00

12. **INVESTMENT PROPERTY**

	Total £
FAIR VALUE	
At 1 January 2022	647,356
Revaluations	<u>61,315</u>
At 31 December 2022	<u>708,671</u>
NET BOOK VALUE	
At 31 December 2022	<u>708,671</u>
At 31 December 2021	<u>647,356</u>

Fair value at 31 December 2022 is represented by:

Valuation in 2022	£ <u>708,671</u>
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If investment property had not been revalued it would have been included at the following historical cost:

	2022	2021
	£	£
Cost	<u>596,479</u>	<u>596,479</u>

Investment property was valued on an open market basis on 31 December 2022 by the directors .

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

13. STOCKS

	2022	2021
	£	£
Raw materials	967,368	826,193
Finished goods	1,511,944	2,262,144
	<u>2,479,312</u>	<u>3,088,337</u>

Stock is stated after provisions for impairment of £411,273 (2021: £497,391).

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	1,625,591	1,494,036
Amounts owed by group undertakings	21,965	-
Other debtors	148,704	145,283
Prepayments	146,554	153,990
	<u>1,942,814</u>	<u>1,793,309</u>

Trade debtors are stated after provisions for impairment of £182,293 (2021: £140,848).

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Other loans (see note 17)	108,235	-
Bank loans and overdrafts (see note 17)	134,563	128,937
Invoice discounting advances (see note 17)	102,112	660,119
Hire purchase contracts (see note 18)	36,721	33,150
Trade creditors	765,842	748,153
Amounts owed to group undertakings	-	13,183
Corporation tax	91,224	140,020
Social security and other taxes	394,491	356,276
Other creditors	101,783	65,134
Amounts due to subsidiary undertaking	6,119	6,119
Accrued expenses	229,634	280,627
	<u>1,970,724</u>	<u>2,431,718</u>

Other creditors includes £22,786 (2021: £7,867) of unpaid pension contributions.

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

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

	2022	2021
	£	£
Bank loans (see note 17)	761,775	890,008
Hire purchase contracts (see note 18)	<u>52,525</u>	<u>36,627</u>
	<u>814,300</u>	<u>926,635</u>

17. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Other loans	108,235	-
Bank overdrafts	5,626	-
Bank loans	128,937	128,937
Invoice discounting advances	<u>102,112</u>	<u>660,119</u>
	<u>344,910</u>	<u>789,056</u>
Amounts falling due between one and two years:		
Bank loans	<u>128,937</u>	<u>128,937</u>
Amounts falling due between two and five years:		
Bank loans	<u>266,810</u>	<u>346,810</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>366,028</u>	<u>414,261</u>

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	36,721	33,150
Between one and five years	<u>52,525</u>	<u>36,627</u>
	<u>89,246</u>	<u>69,777</u>

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

18. LEASING AGREEMENTS - continued

	Non-cancellable 2022 £	operating leases 2021 £
Within one year	128,975	141,762
Between one and five years	197,338	69,991
	<u>326,313</u>	<u>211,753</u>

19. SECURED DEBTS

The following secured debts are included within creditors:

	2022 £	2021 £
Bank loans	890,712	1,018,945
Hire purchase contracts	89,246	69,777
Invoice discounting advances	102,112	660,119
	<u>1,082,070</u>	<u>1,748,841</u>

The bank loans are secured on all assets of the company, £890,711 (2021: £1,018,945) is repayable in instalments. Interest is charged at 3.25% above Base Rate on loans outstanding of £481,250 (2021: £518,750), 5% straight line on loans outstanding of £280,000 (2021: £360,000) and at 2.43% above Base Rate on loans outstanding of £129,461 (2021: £140,195).

Hire purchase liabilities are secured on the underlying assets.

Invoice discounting advances are secured on the trade debtors ledger.

20. PROVISIONS FOR LIABILITIES

	2022 £	2021 £
Deferred tax	109,456	84,166
Other provisions	85,000	138,680
	<u>194,456</u>	<u>222,846</u>
	Deferred tax £	Other provisions £
Balance at 1 January 2022	84,166	138,680
Charge/(credit) to Income Statement during year	25,290	(53,680)
Balance at 31 December 2022	<u>109,456</u>	<u>85,000</u>

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

20. PROVISIONS FOR LIABILITIES - continued

The provision for deferred taxation is made up as follows

	2022	2021
	£	£
Accelerated capital allowances	87,105	75,994
Revaluation of investment property	28,048	9,667
Other timing differences	(5,697)	(1,495)
	<u>109,456</u>	<u>84,166</u>

Other provisions relate to a provision for dilapidations on the expiry of the lease on the primary building from which the company operates, and an estimate of future warranty claim costs.

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
1,780	Ordinary A	£1	1,780	1,780
1,780	Ordinary B	£1	1,780	1,780
1,780	Ordinary C	£1	1,780	1,780
			<u>5,340</u>	<u>5,340</u>

22. RESERVES

	Retained earnings	Share premium	Capital redemption reserve	Totals
	£	£	£	£
At 1 January 2022	3,063,498	100,000	4,660	3,168,158
Profit for the year	358,962			358,962
Dividends	(235,446)			(235,446)
At 31 December 2022	<u>3,187,014</u>	<u>100,000</u>	<u>4,660</u>	<u>3,291,674</u>

23. ULTIMATE CONTROLLING PARTY

There is no overall ultimate controlling party.

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

24. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
Profit before taxation	477,146	793,971
Depreciation charges	208,054	205,091
Profit on disposal of fixed assets	(1,041)	(33,750)
Gain on revaluation of fixed assets	(61,315)	(50,877)
Increase/(decrease) in provisions	(53,680)	44,000
Finance costs	77,533	49,017
	<u>646,697</u>	<u>1,007,452</u>
Decrease/(increase) in stocks	609,025	(1,018,429)
(Increase)/decrease in trade and other debtors	(149,505)	420,109
Increase in trade and other creditors	28,377	156,119
Cash generated from operations	<u><u>1,134,594</u></u>	<u><u>565,251</u></u>

25. 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 December 2022

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	3,869	68,148
Bank overdrafts	(5,626)	-
	<u>(1,757)</u>	<u>68,148</u>

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	<u>68,148</u>	<u>12,129</u>

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

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.22 £	Cash flow £	Other non-cash changes £	At 31.12.22 £
Net cash				
Cash at bank and in hand	68,148	(64,279)		3,869
Bank overdrafts	-	(5,626)		(5,626)
	<u>68,148</u>	<u>(69,905)</u>		<u>(1,757)</u>
Debt				
Finance leases	(69,777)	36,300	(55,769)	(89,246)
Debts falling due within 1 year	(789,056)	449,772	-	(339,284)
Debts falling due after 1 year	(890,008)	128,233	-	(761,775)
	<u>(1,748,841)</u>	<u>614,305</u>	<u>(55,769)</u>	<u>(1,190,305)</u>
Total	<u>(1,680,693)</u>	<u>544,400</u>	<u>(55,769)</u>	<u>(1,192,062)</u>

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