Registered number: 00272170

T. A. SAVERY & CO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

T. A. SAVERY & CO LIMITED

COMPANY INFORMATION

Directors	S Sahota L A Sahota
Company secretary	D Lloyd
Registered number	00272170
Registered office	Grovelands House Grovelands Industrial Estate Longford Road Exhall Coventry CV7 9NE
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 17th Floor 103 Colmore Row Birmingham B3 3AG
Bankers	Barclays Bank Plc 15 Colmore Row Birmingham B3 2BH

T. A. SAVERY & CO LIMITED

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Principal activities

The principal activities of the Group and Company are the design and manufacture of hydraulic equipment and energy absorption devices.

Group overview

T. A. Savery & Co is an established engineering company, originally founded in 1698 as precision engineers and manufacturers of steam engines. The Savery name however has been associated with engineering since the birth of the industrial revolution when Captain Thomas Savery, a military engineer with a passion for mechanics, mathematics and inventing became the inventor of a steam engine.

Today the business consists of two trading divisions, Savery Hydraulics and Oleo International.

Savery Hydraulics
Savery design and manufacture hydraulic systems that range from small individual units to complex electro hydraulic systems as well as power packs, proportional lift controls and electronics.

Oleo International
Oleo leads the world in the design and manufacture of energy absorption products for the rail, elevator and industrial sectors.

Elevator: Oleo elevator buffers are designed to protect people in low rise low speed elevators to high speed applications that include the tallest buildings in the world such as Burj Khalifa, Dubai and the World Trade Center, New York City.

Rail: Oleo provides crash energy management products and services to rail operators and train manufacturers, meeting the requirements for high levels of protection for passenger and freight rolling stock. DigitalTrains™, cloud based software for modelling railway infrastructure, rolling stock and sub systems as a combined system.

Industrial: Oleo buffers provide effective energy absorption solutions for a wide range of applications including dockside cranes, steelworks and rail infrastructure.

Our ongoing investment in research and development ensures that we are continually updating our designs and introducing new products and services to our portfolio.

Engineering and manufacturing operations are focused in the United Kingdom, China and India. The Group has service centres in Germany and Singapore and is supported by a range of distribution arrangements around the World.

Business review

A key strategic objective of the business has been to expand into new markets. During 2022, completing our first European railway coupler project with a major Train builder, achieving approval of rail buffer stops in key global markets with recognised end users. New, high performance, cost competitive products are also in development for the industrial and elevator markets. The reconditioning and service market has seen growth across the UK and overseas subsidiaries.

T A Savery continues to expand and invest in research and development, spending £1.6m *(2021: £1.7m)*. Allowing the Group to develop new, higher performance and validated products. We have a state-of-the-art EN17025 certified test laboratory, including one of the largest free fall drop test towers in the world. This unique and specialised testing facility allows us to be at the forefront of design and development across our business sectors, and offer an external third-party test facility to the market for testing of their products.

2022 sees a keen interest from well known rail industry leaders globally in our digital twinning software, DigitalTrains®, in line with its vision to be at the forefront of the next digital era of innovation. DigitalTrains® is a complete rail project simulation software, a cloud-based environment for Digital Twins of rail infrastructure, rolling stock & sub-assemblies. Enabling cross functional teams to simulate multiple 'what-if scenarios' for rail infrastructure projects. DigitalTrains® brings together three key strategic elements of the Group's business, engineering, simulation, and testing. Simulation is validated through the Group's certified test laboratory, the software is bought to market to support and improve global railway projects.

Customer focus is key to providing the foundations to deliver growth and development, ensuring employees have the capabilities to provide the services and processes that give the business its unique position. Over the past 12 months the Group has seen a significant strengthening of the team regarding customer service, enhancing communication and quality, and supporting the belief and commitment in being a truly customer centred business.

Vision

Keeping people safe by providing world class engineering and testing capabilities in the design and manufacture of hydraulic systems energy absorption devices.

Applying our knowledge to new and growing markets by being the leading innovators in hydraulic systems and energy absorption devices.

Employing a multiskilled, empowered and driven workforce to deliver business growth and innovative solutions. A culture of continuous improvement and agility to act in the best interest of our stakeholders is at the core of the organisation.

Building next generation digital technology and continuing to expand our capabilities as a world class manufacturer continues to remain our focus for future growth.

Principal risks and uncertainties

The Group continues to take steps to protect itself against the variability of raw material prices by arranging fixed price agreements with various suppliers, and it continues to monitor its currency exposure.

Financial instruments

The Group's operations expose it to a variety of financial risks including the effects of changes in interest rates on debt, foreign currency exchange rates, credit risk and liquidity risk.

The Group does not have material exposures in any of the areas identified above.

The Group's principal financial instruments comprise cash and bank deposits, bank overdrafts and obligations under finance leases together with trade debtors and trade creditors that arise directly from its operations.

The main risks arising from the Group's financial instruments can be analysed as follows:

Foreign currency risk
The Group is exposed in its trading operations to the risk of changes in foreign currency exchange rates. The Group buys and sells goods worldwide and operates overseas in CNY, Euro and the US Dollar. The Group continues to monitor the position and as its exposure rises with any change in mix of sales and purchases it will take any actions necessary to protect its position.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to reduce these risk exposures. The Group does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes. Whilst the Group entered into forward currency contracts during the year to mitigate foreign currency risk, it does not apply hedge accounting. There have been no significant changes in types of risk from the prior year.

The Group is also exposed to translation risk on the consolidation of overseas subsidiaries. Exposure to this risk is not actively managed because any gains or losses arising on consolidation are unrealised and liable to subsequent reversal.

Credit risk
The Group's principal financial assets are bank balances, cash and trade debtors, which represent the Group's maximum exposure to credit risk in relation to financial assets.

Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit-rating. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk
The Group's policy has been to ensure continuity of funding through acquiring an element of the Group's fixed assets under finance leases and arranging funding for operations via additional revolving credit facilities to aid short-term flexibility.

Cash flow interest rate risk
The interest rate on the bank facilities is at market rate and the Group's policy is to keep the liabilities within defined limits such that the risk that could arise from a significant change in interest rates would not have a material impact on cash flows. The directors monitor the overall level of borrowings and interest costs to limit any adverse effects on the financial performance of the Group.

Key performance indicators

When assessing business performance, the directors consider turnover and profit before tax as key performance indicators. Turnover in 2022 was £26.5m *(2021: £25.9m)* and loss before tax £2.0m *(2021: loss £2.7m)*. The directors acknowledge the second year of losses but are satisfied with the current results which show a significant turnaround in 2023 by the filing date of this report in September2023.

2022 continued to see the remaining impact of COVID 19 and Brexit on our import and export of products. This was exasperated by the war in Ukraine leading to steel shortages which restricted manufacturing and limited sales throughout 2022. The Company also suffered from its national crisis on energy bills which further contributed to its losses in the year. The business has navigated through another challenging year and continued supplying customers with lessened but steady flow of products. However, the Group's Asian subsidiaries were still able to deliver strong and sustainable growth in the market providing a natural hedge against the volatility in Europe and the war related restricted output in the UK.

Outlook
By the date of filing this report in September 2023, the Group has seen significant increase in its revenue and is projecting an increase in excess of 30% from FY 2022 and a return to historic levels of profitability.

The Group continues to invest in expanding its facilities, product range and certifications in the UK, India, China, Germany, and Korea. Demonstrating the Group's confidence in the future growth of the businesses, whilst keeping our customers and strategic partners core to our investment decisions.

A proactive culture that is embedded within our team allows the Group to remain dynamic according to market demand. An example of this is the expansion of our service and maintenance facilities in our UK plant to help support the change in market requirements because of the change in the economic landscape.

Keeping in line with our strategy of next generation digital technology advancements, our DigitalTrains™ software is expected to generate new opportunities in the Rail industry, which will generate future revenue stream for the business.

In our Hydraulics business, key opportunities have been secured in aerospace and wind turbine test applications, along with further expansion expected in marine and defence sectors.

This investment in the future, not only creates a sustainable platform but also drives efficiencies and opportunities across the Group and demonstrates the commitment in delivering a shared vision.

Section 172 Statement

The directors of the Company, as those of all UK companies, must act in accordance with a set of general duties which are detailed in section 172 of the Companies Act 2006. These duties include a duty by the directors of the Company to act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole and, in doing so, have had regard to and recognised the importance of considering all stakeholders and other matters (as set out in s.172(1)(a-f) of the Act) in its decision-making.

As part of their induction, a director is briefed on their duties and they can access professional advice on these, either through the Company or, if they judge it necessary, from an independent provider. On-going training is provided to directors to ensure that their knowledge remains up to date so that they can continue to perform their duties. It is important to recognise that the directors fulfil their duties partly through a governance framework that delegates day-to-day decision-making to employees of the Company.

Engagement with our stakeholders

Shareholders

Our shareholders are key to the future success of the business, providing funds which aid business growth and stability. The directors, who are the shareholders, have access to all the information needed to understand business performance and make strategic decisions. All shareholders are provided with a copy of the Annual Report and Financial Statements for the Group.

Suppliers

The Group has a broad range of suppliers. Our Code of Conduct helps us build on our reputation for having a positive social and environmental impact and makes clear the high ethical standards that we operate. Interaction with our suppliers and treating suppliers fairly allows us to drive higher standards and reduce risk in our supply chain whilst benefiting from cost efficiencies and positive environmental outcomes.

Customers

A close working relationship with our customers helps us to better understand their needs and provide suitable and reliable products. Our talented teams are dedicated to making sure we constantly refine what we do, providing confidence with delivery of everything we do.

Employees

We continually invest in employee training, development and wellbeing. The Company engages with employees via a variety of information, consultation and participation activities. Information is shared through regular operational team briefings, board meetings, a well-managed intranet and quarterly business reviews with Q&A.

Directors regularly visit all site areas providing the opportunity for employee engagement. The senior leaders are kept fully informed and engaged in the business through the Senior Leadership Training Program.

Engaging with our employees enables us to create an inclusive culture and a positive working environment.

This report was approved by the board and signed on its behalf.

S Sahota
Director

Date: 28/09/2023

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £1,904,000 *(2021: loss £2,928,000).*

Net assets at the end of the year were £2,047,000 *(2021: £4,031,000).*

The directors paid a dividend of £Nil during the year *(2021: £Nil).*

Directors

The directors who served during the year were:

S Sahota
L A Sahota

Disabled employees

It is the Group's policy to give full and fair consideration to suitable applications for employment from disabled persons. Once employed, disabled persons receive equal opportunities for training, career development and promotion. Opportunities exist for employees of the Group who become disabled to continue their employment or to be trained for other positions within the Group.

Post balance sheet events

On 21 July 2023 and 8 August 2023 the Company received, from Oleo Buffers Shanghai Company Limited, net dividends of CNY10.8m and CNY9.72m respectively.

Going concern

During the year ended 31 December 2022 the Group incurred a loss of £1.7m. Global economic instability, recovery from COVID, impact of Brexit, Ukraine war and the UK energy crisis were the fundamental reasons for the losses. Against this backdrop the directors continue to review the sources of funding for the Group and the Company.

Whilst there have been challenging times for the Group, the 9 months to the date of this report in 2023 shows the restoration of profitability and liquidity in the business. This gives the directors the confidence to carry out further strategic investments in the business.

The Group and Company are funded through operational cash flow supplemented by available loan arrangements, other banking facilities and the support of the ultimate holding company, Brigam Limited. During 2022 the loan and banking facilities have included revolving facilities of £2.5m under the GEF Trade Loans Scheme repayable on demand. There is also a loan under the Government Supported Business Loans Interruption Scheme which is repayable in monthly instalments with an amount outstanding at 31 December 2022 of £1.9m *(2021: £2.5m)* and an overdraft facility of £0.5m *(2021: £1.1m)*. At 31 December 2022 the Group had net cash and cash equivalents of £3.8m *(2021: £2.0m)* and total bank loans of £4.4m *(2021: £5.0m)* respectively.

The directors have prepared forecasts through to September 2024 ("base case"), being a period of at least 12 months from the date of signing these financial statements, for both the Group and the Company. The base case forecast assumes the continuation of existing banking facilities and the return to historic levels of performance as demonstrated by the actual performance for the 9 months to the filing date of this report. The forecasts also incorporate sensitivity analysis taking into account extreme downward scenarios and the directors' consideration of whether these scenarios are likely. Under the base case and plausible downward scenarios, both the Group and Company are able to operate within the financial resources which the directors expect to be made available for the foreseeable future by the Group's bankers.

However, as at 31 December 2022 the Group and the Company were in breach of certain covenants with regard to interest cover. The directors are in active dialogue with the Group's bankers, including seeking a waiver, without which there is material uncertainty as to the going concern presumption of the Group. The directors have always considered the strength of the Group's balance sheet as a fundamental source of funding should a waiver not be received. Cash in overseas subsidiaries of £3.4m, property of £3.9m and group trade debtors of £6.9m gives the directors confidence that continuing finance will be available to the Group.

The directors have received a letter of support from Brigam Limited, the parent Company which confirms that it will continue to provide financial support for the Group and Company to meet its obligations as they fall due.

Accordingly, the directors have a reasonable expectation that the Group and the Company have adequate resources to meet their obligations as they fall due and to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis in preparing the financial statements.

Matters covered in the strategic report

The business review, principal risks and uncertainties, financial key performance indicators, engagement with employees and the S172 statement are included within the Strategic report.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report and Directors' report and the consolidated 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and profit or loss of the Company and 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company auditor is aware of that information.

To the best of our knowledge:

- the Group financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

- the Strategic report and Directors' report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28\09\2023 and signed on its behalf.

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S Sahota
Director

Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF T. A. SAVERY & CO LIMITED

Opinion

We have audited the financial statements of T. A. Savery & Co Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Consolidated statement of comprehensive income, the Consolidated and Company statements of financial position, the Consolidated statement of cash flows, the Consolidated and Company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the parent 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.

Material uncertainty related to going concern

We draw attention to note 2.4 Going concern in the financial statements, which states the Group and the Company were in breach of certain covenants with regard to interest cover as at 31 December 2022. The directors' have informed us that they are in active dialogue with the Group's bankers, including seeking a waiver, without which there is material uncertainty as to the going concern presumption of the Group. As stated in note 2.4 Going concern, these events or conditions, along with the other matters as set forth in note 2.4, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. *Our opinion is not modified in respect of this matter.*

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

Our responsibilities

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

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 Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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 Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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 frameworks applicable to the Group and determined that the following laws and regulations were most significant: Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 and the relevant tax compliance regulations in the jurisdiction in which the Group operates. We enquired of management, whether they were aware of any instances of noncompliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the management.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design and implementation of controls management has in place to prevent and detect fraud;
  - Challenging assumptions and judgements made by management in its significant accounting estimates such recognition of contingent consideration in relation to acquisitions in the year and useful economic lives of intangible assets; and
  - Identifying and testing journal entries, in particular journals determined to be of unusual or risk characteristics.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - Understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation; and
  - Knowledge of the industry in which the Group operates.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance

with laws and regulations throughout the audit.

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 Auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Sreekanth Gaddamanugu
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
Date: 28 September 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Turnover	4	**26,473**	*25,928*
Cost of sales		**(18,356)**	*(17,882)*
Gross profit		**8,117**	*8,046*
Distribution costs		**(669)**	*(847)*
Administrative expenses		**(9,252)**	*(10,226)*
Other operating income	5	**60**	*373*
Operating loss	6	**(1,744)**	*(2,654)*
Interest receivable and similar income	10	**-**	*72*
Interest payable and similar expenses	11	**(220)**	*(84)*
Loss before taxation		**(1,964)**	*(2,666)*
Tax on loss	12	**60**	*(262)*
Loss for the financial year		**(1,904)**	*(2,928)*
Foreign exchange movements		**(80)**	*(11)*
Total comprehensive loss for the year		**(1,984)**	*(2,939)*
Loss for the year attributable to:			
Non-controlling interests		**(11)**	*(77)*
Owners of the parent Company		**(1,893)**	*(2,851)*
		(1,904)	*(2,928)*
Total comprehensive loss for the year attributable to:			
Non-controlling interest		**(11)**	*(77)*
Owners of the parent Company		**(1,973)**	*(2,862)*
		(1,984)	*(2,939)*

The results included above are generated from continuing operations.

The notes on pages 21 to 42 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note		2022 £000		*2021 £000*
Fixed assets					
Tangible assets	13		**5,198**		*5,413*
			5,198		*5,413*
Current assets					
Stocks	15	**8,951**		*7,096*	
Debtors: amounts falling due within one year	16	**7,752**		*6,231*	
Cash at bank and in hand	17	**3,885**		*3,171*	
		20,588		*16,498*	
Creditors: amounts falling due within one year	18	**(15,072)**		*(11,636)*	
Net current assets			**5,516**		*4,862*
Total assets less current liabilities			**10,714**		*10,275*
Creditors: amounts falling due after more than one year	19		**(8,667)**		*(6,244)*
Net assets			**2,047**		*4,031*
Capital and reserves					
Called up share capital	22		**7**		*7*
Profit and loss account	23		**2,030**		*4,003*
Equity attributable to owners of the parent Company			**2,037**		*4,010*
Non-controlling interests			**10**		*21*
			2,047		*4,031*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

28\09\2023

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S Sahota
Director

The notes on pages 21 to 42 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note		2022 £000		*2021 £000*
Fixed assets					
Tangible assets	13		**2,021**		*2,192*
Investments	14		**1,117**		*1,117*
			3,138		*3,309*
Current assets					
Stocks	15	**7,052**		*5,277*	
Debtors: amounts falling due within one year	16	**7,284**		*6,226*	
Cash at bank and in hand	17	**427**		*511*	
		14,763		*12,014*	
Creditors: amounts falling due within one year	18	**(11,061)**		*(8,907)*	
Net current assets			**3,702**		*3,107*
Total assets less current liabilities			**6,840**		*6,416*
Creditors: amounts falling due after more than one year	19		**(8,603)**		*(6,080)*
Net (liabilities)/assets			**(1,763)**		*336*
Capital and reserves					
Called up share capital	22		**7**		*7*
Profit and loss account	23		**(1,770)**		*329*
			(1,763)		*336*

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. The loss after tax of the parent Company for the period was £2,099,000 *(2021: £3,023,00)*.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

23/09/2023

S Sahota
Director

The notes on pages 21 to 42 form part of these financial statements.

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

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000
At 1 January 2022	7	4,003	4,010	21	4,031
Comprehensive loss for the year					
Loss for the year	-	(1,893)	(1,893)	(11)	(1,904)
Currency translation difference	-	(80)	(80)	-	(80)
Total comprehensive loss for the year	-	(1,973)	(1,973)	(11)	(1,984)
At 31 December 2022	7	2,030	2,037	10	2,047

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

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000
At 1 January 2021	7	6,865	6,872	98	6,970
Comprehensive loss for the year					
Loss for the year	-	(2,851)	(2,851)	(77)	(2,928)
Currency translation difference	-	(11)	(11)	-	(11)
Transactions with owners	-	(2,862)	(2,862)	(77)	(2,939)
At 31 December 2021	7	4,003	4,010	21	4,031

The notes on pages 21 to 42 form part of these financial statements.

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

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2022	7	329	336
Comprehensive loss for the year			
Loss for the year	-	(2,099)	(2,099)
Total comprehensive loss for the year	-	(2,099)	(2,099)
At 31 December 2022	7	(1,770)	(1,763)

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

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2021	7	3,352	3,359
Comprehensive loss for the year			
Loss for the year	-	(3,023)	(3,023)
Total comprehensive loss for the year	-	(3,023)	(3,023)
At 31 December 2021	7	329	336

The notes on pages 21 to 42 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £000	2021 £000
Cash flows from operating activities		
Loss for the financial year	**(1,904)**	*(2,928)*
Adjustments for:		
Depreciation of tangible assets	**998**	*1,084*
Interest expense	**220**	*84*
Interest income	**-**	*(72)*
Taxation charge	**(60)**	*262*
(Increase) in stocks	**(1,855)**	*(48)*
(Increase) in debtors	**(1,525)**	*(1,652)*
Increase in creditors	**7,448**	*1,125*
Corporation tax (paid)	**64**	*(208)*
Foreign exchange differences	**(62)**	*(29)*
Net cash generated from/(absorbed by) operating activities	**3,324**	*(2,382)*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(747)**	*(928)*
Bank interest received	**-**	*72*
Net cash from investing activities	**(747)**	*(856)*

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £000	2021 £000
Cash flows from financing activities		
New unsecured loans	5	2,495
Repayment of loans	(626)	-
New finance leases	181	-
Repayment of finance leases	(137)	(45)
Interest paid	(211)	(66)
Hire purchase interest paid	(9)	(18)
Net cash (used in)/generated by financing activities	(797)	2,366
Net increase/(decrease) in cash and cash equivalents	1,780	(872)
Cash and cash equivalents at beginning of year	2,018	2,872
Foreign exchange differences	(18)	18
Cash and cash equivalents at the end of year	3,780	2,018
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,885	3,171
Bank overdrafts	(105)	(1,153)
	3,780	2,018

The notes on pages 21 to 42 form part of these financial statements.

1. General information

T. A. Savery & Co Limited is a limited company incorporated in England and Wales. The registered office address is Grovelands House, Grovelands Industrial Estate, Longford Road, Exhall, Coventry, CV7 9NE. The financial statements are presented in sterling (£).

2. Accounting policies

2.1 Basis of preparation of 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 (see note 3).

In preparing the financial statements of the parent, advantage has been taken, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", from the requirements of Section 7 Statement of cash flows and the requirements of Section 33 Related Party Disclosures. Additionally, the parent has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income Statement in these financial statements.

The Group's financial statements are presented in Sterling and all values are rounded to the nearest thousand (£'000) except when otherwise stated.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they formed 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 statement of financial position, 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.

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Brigam Limited as at 31 December 2022 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

2. Accounting policies (continued)

2.4 Going concern

During the year ended 31 December 2022 the Group incurred a loss of £1.7m. Global economic instability, recovery from COVID, impact of Brexit, Ukraine war and the UK energy crisis were the fundamental reasons for the losses. Against this backdrop the directors continue to review the sources of funding for the Group and the Company.

Whilst there have been challenging times for the Group, the 9 months to the date of this report in 2023 shows the restoration of profitability and liquidity in the business. This gives the directors the confidence to carry out further strategic investments in the business.

The Group and Company are funded through operational cash flow supplemented by available loan arrangements, other banking facilities and the support of the ultimate holding company, Brigam Limited. During 2022 the loan and banking facilities have included revolving facilities of £2.5m under the GEF Trade Loans Scheme repayable on demand. There is also a loan under the Government Supported Business Loans Interruption Scheme which is repayable in monthly instalments with an amount outstanding at 31 December 2022 of £1.9m *(2021: £2.5m)* and an overdraft facility of £0.5m *(2021: £1.1m)*. At 31 December 2022 the Group had net cash and cash equivalents of £3.8m *(2021: £2.0m)* and total bank loans of £4.4m *(2021: £5.0m)* respectively.

The directors have prepared forecasts through to September 2024 ("base case"), being a period of at least 12 months from the date of signing these financial statements, for both the Group and the Company. The base case forecast assumes the continuation of existing banking facilities and the return to historic levels of performance as demonstrated by the actual performance for the 9 months to the filing date of this report. The forecasts also incorporate sensitivity analysis taking into account extreme downward scenarios and the directors' consideration of whether these scenarios are likely. Under the base case and plausible downward scenarios, both the Group and Company are able to operate within the financial resources which the directors expect to be made available for the foreseeable future by the Group's bankers.

However, as at 31 December 2022 the Group and the Company were in breach of certain covenants with regard to interest cover. The directors are in active dialogue with the Group's bankers, including seeking a waiver, without which there is material uncertainty as to the going concern presumption of the Group. The directors have always considered the strength of the Group's balance sheet as a fundamental source of funding should a waiver not be received. Cash in overseas subsidiaries of £3.4m, property of £3.9m and group trade debtors of £6.9m gives the directors confidence that continuing finance will be available to the Group.

The directors have received a letter of support from Brigam Limited, the parent Company which confirms that it will continue to provide financial support for the Group and Company to meet its obligations as they fall due.

Accordingly, the directors have a reasonable expectation that the Group and the Company have adequate resources to meet their obligations as they fall due and to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis in preparing the financial statements.

2. Accounting policies (continued)

2.5 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.

Revenue for the sale of goods may be recognised upon shipment, completion of the product, or the product being ready for delivery, based on specific contract terms.

Revenue for services is typically recognised when the Group has performed its obligations.

2.6 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.

Depreciation is provided on the following basis:

Property	- 20% straight line
Plant and machinery	- 10% - 33% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 10% - 33% straight line

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.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment

2. Accounting policies (continued)

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated statement of comprehensive income.

2.9 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.

2.10 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.

2.11 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans from banks and other third parties.

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.

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 amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

2. Accounting policies (continued)

2.11 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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.

2.12 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.

2.13 Foreign currency translation

Functional and presentation currency

The Company'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. Non-monetary 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.

2.14 Research and development

All research and development expenditure is written off in the year in which it is incurred.

2. Accounting policies (continued)

2.15 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

Government grants relating to tangible fixed assets are treated as deferred income and released to the statement of comprehensive income over the expected useful lives of the assets concerned. Other grants are credited to the statement of comprehensive income as the related expenditure is incurred.

2.16 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 instrument.

2.17 Operating leases: the Group as lessor

Rental income from operating leases is credited to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2.18 Leasing and hire purchase

Assets held under finance leases are included in the balance sheet and depreciated in accordance with the Group's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the Consolidated statement of comprehensive income over the period of the lease in proportion to the balance of capital repayments outstanding.

2.19 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 Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2. Accounting policies (continued)

2.20 Warranties

Provision is made for the estimated liability on all products still under warranty, including claims already received. The provision is based on past experience of claims arising in the warranty periods. The provision is not discounted, since the effect of the time value of money would be immaterial.

2.21 Interest income

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

2.22 Borrowing costs

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

2.23 Taxation

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 reporting 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 Statement of financial position 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 reporting date.

2.24 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The following are judgements made by management:

Going concern (note 2.4)

When preparing the financial statements, directors are required to make an assessment of the entity's ability to continue as a going concern and prepare the financial statements on this basis unless it either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. After reviewing current trading and forecasts the directors have formed the judgement that it is appropriate to prepare the financial statements on the going concern basis.

4. Turnover

The whole of the turnover is attributable to the Group's principal activity.

Analysis of turnover by country of destination:

	2022 **£000**	*2021* *£000*
United Kingdom	**5,786**	*4,958*
Rest of Europe	**4,774**	*6,265*
Rest of the world	**15,913**	*14,705*
	26,473	*25,928*

5. Other operating income

	2022 **£000**	*2021* *£000*
Royalty receivable	**60**	*91*
Government grants receivable	**-**	*282*
	60	*373*

Government grant income received during 2021 relates to amounts claimed by the Group under the UK Government Job Retention Scheme.

6. Operating loss

The operating loss is stated after charging:

	2022 **£000**	*2021* *£000*
Research & development charged as an expense	**1,620**	*1,717*
Depreciation of tangible fixed assets	**998**	*1,084*
Foreign exchange (gain)/loss	**(389)**	*176*
Operating lease rentals - plant and equipment	**73**	*71*
Operating lease rentals - land and buildings	**727**	*628*

7. Auditor's remuneration

	2022 **£000**	*2021* *£000*
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	**35**	*34*
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	**69**	*32*
	104	*66*

Fees payable to the Group's auditor and its associates in respect of:

Fees payable to the Group's auditor for accounting assistance	**-**	*2*
Fees payable to the Group's auditor for taxation compliance services	**27**	*17*
Fees payable to the Group's auditor for general advice	**33**	*-*
	60	*19*

8. Employees

Staff costs were as follows:

	Group 2022 £000	Group 2021 £000
Wages and salaries	8,366	9,182
Social security costs	844	917
Cost of defined contribution scheme	572	516
	9,782	10,615

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Production staff	127	141
Other staff	175	177
	302	318

9. Director's remuneration

Directors are remunerated through a fellow group company Brigam Limited.

10. Interest receivable and similar income

	2022 £000	2021 £000
Bank interest receivable	-	72

11. Interest payable and similar expenses

	2022 £000	2021 £000
Bank interest payable	211	66
Finance leases and hire purchase contracts	9	18
	220	84

12. Taxation

	2022 £000	*2021* *£000*
Corporation tax		
Current tax on loss for the year	**111**	*-*
Adjustments in respect of previous periods	**(625)**	*(25)*
	(514)	*(25)*
Foreign tax		
Foreign tax on income for the year	**454**	*264*
	454	*264*
Total current tax	**(60)**	*239*
Deferred tax		
Origination and reversal of timing differences	**-**	*23*
Total deferred tax	**-**	*23*
Taxation on loss on ordinary activities	**(60)**	*262*

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2021: higher than)* the standard rate of corporation tax in the UK of 19% *(2021: 19%)*. The differences are explained below:

	2022 £000	*2021* *£000*
Loss on ordinary activities before tax	**(1,964)**	*(2,666)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% *(2021: 19%)*	**(373)**	*(507)*
Effects of:		
Fixed asset differences	**3**	*(3)*
Expenses not deductible for tax purposes	**14**	*8*
Higher rate taxes on overseas earnings	**16**	*155*
Adjustments to tax charge in respect of prior periods	**(625)**	*(72)*
Foreign tax credits	**112**	*35*
Deferred tax not recognised	**967**	*724*
Group relief	**62**	*66*
Movements in deferred tax rates	**(236)**	*(144)*
Total tax charge for the year	**(60)**	*262*

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

13. Tangible fixed assets

Group

	Property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost					
At 1 January 2022	2,436	9,114	193	2,322	14,065
Additions	210	474	-	63	747
Disposals	(127)	-	(13)	-	(140)
Exchange adjustments	48	(7)	(4)	(1)	36
At 31 December 2022	2,567	9,581	176	2,384	14,708
Depreciation					
At 1 January 2022	277	6,148	89	2,138	8,652
Charge for the year	78	794	13	113	998
Disposals	(127)	-	(13)	-	(140)
Exchange adjustments	10	(7)	(3)	-	-
At 31 December 2022	238	6,935	86	2,251	9,510
Net book value					
At 31 December 2022	2,329	2,646	90	133	5,198
At 31 December 2021	*2,159*	*2,966*	*104*	*184*	*5,413*

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £000	*2021 £000*
Plant and machinery	584	*1,445*

13. Tangible fixed assets (continued)

Company

	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost				
At 1 January 2022	6,283	116	1,728	8,127
Additions	453	-	30	483
Disposals	(127)	(13)	-	(140)
At 31 December 2022	6,609	103	1,758	8,470
Depreciation				
At 1 January 2022	4,252	84	1,599	5,935
Charge for the year	561	3	90	654
Disposals	(127)	(13)	-	(140)
At 31 December 2022	4,686	74	1,689	6,449
Net book value				
At 31 December 2022	1,923	29	69	2,021
At 31 December 2021	*2,031*	*32*	*129*	*2,192*

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £000	*2021 £000*
Plant and machinery	421	*1,292*

14. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost	
At 1 January 2022	**1,117**
At 31 December 2022	**1,117**
Net book value	
At 31 December 2022	**1,117**
At 31 December 2021	*1,117*

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Oleo Inc	3505 Naturally Fresh Boulevard Atlanta, GA 30349	Hydraulic equipment and energy absorption	Ordinary	100%
Oleo Buffers Shanghai Co Limited	Plant A15 Xinfei Garden, No. 3802 Shengang Road Songjiang, Shanghai 201612 China	Hydraulic equipment and energy absorption	Ordinary	100%
Oleo Buffers India Private Ltd	Plot No 32 & 33, KIADB Hi-Tech Hardware Park, 7th Main Road, Mahadevakodigehalli Bengaluru - 560054 Karnataka - 562149 India	Hydraulic equipment and energy absorption	Ordinary	90%
Oleo International GmbH	Hildesheimerstr. 3, 31188 Holle / Grasdorf	Hydraulic equipment and energy absorption	Ordinary	100%
Oleo Passive Safety Technology Pte Ltd	10 Buroh Street, #06-18, West Connect Building, Singapore 627564	Hydraulic equipment and energy absorption	Ordinary	100%
T.A. Savery Korea Ltd	208 Shindonga Tower 736 Banghak-Dong Dobong-Gu Seoul 01359 Korea	Hydraulic equipment and energy absorption	Ordinary	100%
Savery Hydraulic Technology (Shanghai) Co Ltd	Plant A15 Xinfei Garden, No. 3802 Shengang Road Songjiang, Shanghai 201612 China	Hydraulic equipment and energy absorption	Ordinary	100%

The remaining 10% holding in Oleo Buffers India Private Ltd is held by the parent undertaking, Brigam Limited.

There are the following dormant subsidiaries which are 100% owned and incorporated in the UK with their registered office at Grovelands House, Grovelands Industrial Estate, Longford Road, Exhall, Coventry, CV7 9NE:

Oleo Buffer Stops Ltd
Oleo Elevator Ltd
Oleo Industrial Ltd
Oleo Rail Ltd
Oleo Rail and Industrial Ltd

15. Stocks

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Raw materials and consumables	2,460	2,168	945	616
Work in progress	805	533	805	533
Finished goods and goods for resale	5,686	4,395	5,302	4,128
	8,951	7,096	7,052	5,277

The difference between purchase price or production cost of stocks and their replacement cost is not material.

16. Debtors

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Trade debtors	6,919	5,283	2,546	1,825
Amounts owed by group undertakings	-	-	4,449	3,815
Other debtors	209	240	2	93
Prepayments and accrued income	420	500	231	263
Tax recoverable	204	208	56	230
	7,752	6,231	7,284	6,226

Amounts owed by group undertakings are unsecured and are repayable on demand. No interest is charged on these amounts.

17. Cash and cash equivalents

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Cash at bank and in hand	3,885	3,171	427	511
Less: bank overdrafts	(105)	(1,153)	(105)	(1,153)
	3,780	2,018	322	(642)

18. Creditors: Amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Unsecured trade loan (Note 20)	2,500	2,495	2,500	2,495
Bank loans (Note 20)	1,874	2,500	1,874	2,500
Bank overdrafts	105	1,153	105	1,153
Trade creditors	4,842	2,458	2,255	1,200
Amounts owed to group undertakings	-	-	568	234
Corporation tax	15	-	-	-
Other taxation and social security	1,092	615	304	179
Obligations under finance lease and hire purchase contracts	278	93	101	93
Other creditors	79	62	19	-
Accruals and deferred income	4,287	2,260	3,335	1,053
	15,072	11,636	11,061	8,907

Obligations under finance lease and hire purchase contracts are secured on the assets financed.

Amounts owed to group and parent undertakings are unsecured and are repayable on demand. No interest is charged on these amounts.

In accordance with accounting standards the bank loans amounting to £1.874m *(2021: £2.5m)* have been disclosed as being repayable on demand.

19. Creditors: Amounts falling due after more than one year

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Net obligations under finance leases and hire purchase contracts	115	256	115	92
Amounts owed to group undertakings	8,552	5,988	8,488	5,988
	8,667	6,244	8,603	6,080

Obligations under finance lease and hire purchase contracts are secured on the assets financed.

Amounts owed to group undertakings are unsecured.

20. Loans

Loans comprise

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Unsecured trade loan	2,500	2,495	2,500	2,495
Secured bank loan	1,874	2,500	1,874	2,500
	4,374	4,995	4,374	4,995

The unsecured trade loan is a Trade Cycle loan under the GEF Trade Loans Scheme and is repayable on demand. The interest is payable on a reference rate basis subject to a minimum 2%.

Bank loans are secured against the assets of the Company, attract interest at the higher of 3.02% and the Bank of England base rate and are repayable in 49 equal instalments commencing January 2022.

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Within one year	278	93	101	93
Between 1-5 years	115	256	115	92
	393	349	216	185

22. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
6,500 *(2021: 6,500)* Ordinary shares of £1 each	**6,500**	*6,500*

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

23. Reserves

Profit and loss account

The profit and loss account contains all current and prior period retained profits and losses, net of dividends paid.

24. Contingent liabilities

The Group has an unlimited inter-company composite guarantee in place, in respect of bank borrowings, covering the Company and all other companies in the Brigam Limited group.

25. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £572,000 *(2021: £516,000)*.

26. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

Land and Buildings

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Not later than 1 year	692	717	477	477
Later than 1 year and not later than 5 years	1,357	1,846	1,357	1,643
Later than 5 years	177	305	177	305
	2,226	2,868	2,011	2,425

Motor vehicles

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Not later than 1 year	39	50	33	45
Later than 1 year and not later than 5 years	64	36	63	34
	103	86	96	79

27. Related party transactions

The Group has taken advantage of the exemption available under section 33 'Related Parties' to not disclose transactions with other wholly owned group companies. No other transactions occurred between the Group and related parties outside of other wholly owned group companies.

28. Post balance sheet events

On 21 July 2023 and 8 August 2023 the Company received, from Oleo Buffers Shanghai Company Limited, net dividends of CNY10.8m and CNY9.72m respectively.

29. Controlling party

The immediate holding company of T A Savery and Company Limited is Thomas Savery Pumps Limited, a company incorporated in England and Wales.

The ultimate parent company is Brigam Limited, which is registered in England and Wales.

Its accounts are available to the public on payment of the appropriate fee, from Companies House, Crown Way, Cardiff, CF14 3UZ.

The Group's ultimate controlling party is S Sahota.

30. Analysis of net debt

	At 1 January 2022 £000	Cash flows £000	New loan finance £000	Finance leases payments £000	Other non-cash changes £000	At 31 December 2022 £000
Cash at bank and in hand	3,171	732	-	-	(18)	3,885
Bank overdrafts	(1,153)	1,048	-	-	-	(105)
Secured bank loan	(2,500)	626	-	-	-	(1,874)
Unsecured bank loan	(2,495)	(5)	-	-	-	(2,500)
Finance leases	(349)	-	(181)	137	-	(393)
	(3,326)	2,401	(181)	137	(18)	(987)