

COMPANY REGISTRATION NUMBER: 00361699

**Stanhope-Seta Limited**  
**Financial Statements**  
**31 July 2021**

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# **Stanhope-Seta Limited**

## **Financial Statements**

**Year ended 31 July 2021**

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# **Stanhope-Seta Limited**

## **Officers and Professional Advisers**

### **The board of directors**

M Richardson  
M Verity  
G Verity

### **Company secretary**

M Richardson

### **Registered office**

10 Orange Street  
Haymarket  
London  
WC2H 7DQ

### **Auditor**

Shipleys LLP  
Chartered Accountants & statutory auditor  
10 Orange Street  
Haymarket  
London  
WC2H 7DQ

# Stanhope-Seta Limited

## Strategic Report

Year ended 31 July 2021

### Principle Activity and business review

The principal activity of the company during the year was the manufacture or testing equipment for the hydrocarbon industries.

The directors are satisfied with the company's performance for the year. The company's Research and Development group is actively developing instruments to fulfil new industry requirements and improve existing technologies. Competition within the instrumentation sector is significant, not only from other established manufacturers but also from local domestic products coming from other countries. The company's product line is well established, and the directors are confident that the reputation of the company will greatly assist, where competition is present. The directors continue to monitor cost levels to ensure that an adequate return is received

The key financial highlights are as follows:

	2021	2020	2019	2018	2017
	£	£	£	£	£
Turnover	13,281,383	15,194,043	14,135,931	14,267,508	12,681,217
Turnover growth (%)	1	8	1	13	4
Gross profit margin (%)	43	42	39	38	40
Profit before taxation	1,093,678	1,173,335	908,086	993,335	1,182,603

### Future developments

The company's range of equipment is designed for the hydrocarbon industries. The company is reliant on the performance of these industries and therefore any change in their level of activity is likely to affect its results. Obsolescence of the existing test procedures represents a key risk to the company, and therefore ongoing development of the instrument range will be an important part of mitigating this and will provide new opportunities for the company.

### Section 172 statement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Directors continue to have regard to the interests of the Company's employees, other stakeholders and the Company's reputation when making decisions. Such consideration is included in the statements set out below, noting the directors' duty under s172 to act in good faith to promote the success of the Company for the benefit of its shareholders but having regard amongst other matters to the following:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct;
- the need to act fairly between members of the company

Although the Company has multiple stakeholders, the Board considered its key stakeholders were our employees, customers, candidates and suppliers. Stanhope-Seta is committed to high standards of business conduct and integrity at all times.

# **Stanhope-Seta Limited**

## **Strategic Report** *(continued)*

**Year ended 31 July 2021**

This report was approved by the board of directors on 22nd October 2021 and signed on behalf of the board by:

*Maureen Richardson*

M Richardson  
Company Secretary

Registered office:  
10 Orange Street  
Haymarket  
London  
WC2H 7DQ

# **Stanhope-Seta Limited**

## **Directors' Report**

**Year ended 31 July 2021**

The directors present their report and the audited financial statements of the company for the year ended 31 July 2021.

### **Directors**

The directors who served the company during the year were as follows:

M Richardson  
M Verity  
G Verity

### **Dividends**

Particulars of recommended dividends are detailed in note 12 to the financial statements.

### **Disclosure of information in the strategic report**

A Strategic report is included in these accounts in accordance with section 414C(11) of the Companies Act 2006.

### **Directors' responsibilities statement**

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

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

# Stanhope-Seta Limited

## Directors' Report *(continued)*

Year ended 31 July 2021

### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 22nd October 2021 and signed on behalf of the board by:

*Maureen Richardson*

M Richardson  
Company Secretary

Registered office:  
10 Orange Street  
Haymarket  
London  
WC2H 7DQ

# **Stanhope-Seta Limited**

## **Independent Auditor's Report to the Members of Stanhope-Seta Limited**

**Year ended 31 July 2021**

### **Opinion**

We have audited the financial statements of Stanhope-Seta Limited (the 'company') for the year ended 31 July 2021 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's 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 entity'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.



# **Stanhope-Seta Limited**

## **Independent Auditor's Report to the Members of Stanhope-Seta Limited** (continued)

**Year ended 31 July 2021**

### **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. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

### **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 directors' report.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# **Stanhope-Seta Limited**

## **Independent Auditor's Report to the Members of Stanhope-Seta Limited** (continued)

**Year ended 31 July 2021**

### **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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the Company's business and sector, controls, related parties, legal and regulatory frameworks, laws and regulations and assessed the susceptibility of the Company's financial statements to material misstatement from irregularities, including fraud, are instances of non-compliance with laws and regulations.
- Based on this understanding we designed our audit procedures to detecting irregularities, including fraud. Testing undertaken included making enquiries on the management, including enquiring management as to any actual and potential litigations, claims, fraud or suspected fraud; review of bank letters; board minutes and any correspondence received from regulatory bodies; reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- We addressed the risk of fraud through management override of controls, by 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.

An auditor conducting an audit in accordance with ISAs (UK) is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error and in our audit procedures described above. Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

# Stanhope-Seta Limited

## Independent Auditor's Report to the Members of Stanhope-Seta Limited (continued)

Year ended 31 July 2021

- Conclude 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 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

### 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.

*Tim Hardy*

22nd October 2021

Tim Hardy (Senior Statutory Auditor)

For and on behalf of  
Shipleys LLP  
Chartered Accountants & statutory auditor  
10 Orange Street  
Haymarket  
London  
WC2H 7DQ

**Stanhope-Seta Limited**  
**Statement of Income and Retained Earnings**  
**Year ended 31 July 2021**

	Note	2021 £	2020 £
<b>Turnover</b>	<b>4</b>	13,281,383	15,194,043
Cost of sales		(7,537,653)	(8,805,213)
<b>Gross profit</b>		<u>5,743,730</u>	<u>6,388,830</u>
Distribution costs		(229,581)	(218,751)
Administrative expenses		(4,802,746)	(5,011,683)
Innovation grant funding	<b>5</b>	381,500	—
<b>Operating profit</b>	<b>6</b>	<u>1,092,903</u>	<u>1,158,396</u>
Interest receivable	<b>10</b>	775	14,939
<b>Profit before taxation</b>		<u>1,093,678</u>	<u>1,173,335</u>
Taxation on ordinary activities	<b>11</b>	52,098	98,393
<b>Profit for the financial year and total comprehensive income</b>		<u>1,145,776</u>	<u>1,271,728</u>
Dividends paid and payable	<b>12</b>	(600,000)	(600,000)
<b>Retained earnings at the start of the year</b>		<u>9,177,099</u>	<u>8,505,371</u>
<b>Retained earnings at the end of the year</b>		<u>9,722,875</u>	<u>9,177,099</u>

All the activities of the company are from continuing operations.

The notes on pages 13 to 22 form part of these financial statements.

**Stanhope-Seta Limited**  
**Statement of Financial Position**  
**31 July 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	13	1,166,168	1,134,069
<b>Current assets</b>			
Stocks	14	3,202,811	3,456,605
Debtors	15	1,624,320	1,926,789
Cash at bank and in hand		8,603,604	7,410,227
		<u>13,430,735</u>	<u>12,793,621</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(3,873,928)</u>	<u>(3,750,491)</u>
<b>Net current assets</b>		<u>9,556,807</u>	<u>9,043,130</u>
<b>Total assets less current liabilities</b>		<u>10,722,975</u>	<u>10,177,199</u>
<b>Net assets</b>		<u><u>10,722,975</u></u>	<u><u>10,177,199</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	1,000,100	1,000,100
Profit and loss account	21	<u>9,722,875</u>	<u>9,177,099</u>
<b>Shareholders funds</b>		<u><u>10,722,975</u></u>	<u><u>10,177,199</u></u>

These financial statements were approved by the board of directors and authorised for issue on 22nd October 2021, and are signed on behalf of the board by:

*Maureen Richardson*

M RICHARDSON  
Company Secretary

Company registration number: 00361699

The notes on pages 13 to 22 form part of these financial statements.

# **Stanhope-Seta Limited**

## **Statement of Cash Flows**

**Year ended 31 July 2021**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,145,776	1,271,728
<i>Adjustments for:</i>		
Depreciation of tangible assets	142,899	144,034
Innovation grant income	(381,500)	–
Interest receivable	(775)	(14,939)
Gains on disposal of tangible assets	(20,101)	(35,498)
Taxation on ordinary activities	(52,098)	(98,393)
Accrued (income)/expenses	(4,200)	661,384
<i>Changes in:</i>		
Stocks	253,794	(51,471)
Trade and other debtors	302,469	557,453
Trade and other creditors	127,637	247,402
Cash generated from operations	1,513,901	2,681,700
Interest received	775	14,939
Tax received	52,098	98,393
Net cash from operating activities	<u>1,566,774</u>	<u>2,795,032</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(184,147)	(160,206)
Proceeds from sale of tangible assets	29,250	40,999
Net cash used in investing activities	<u>(154,897)</u>	<u>(119,207)</u>
<b>Cash flows from financing activities</b>		
Innovation grant income	381,500	–
Dividends paid	(600,000)	(600,000)
Net cash from/(used in) financing activities	<u>(218,500)</u>	<u>(400,000)</u>
<b>Net increase in cash and cash equivalents</b>	1,193,377	2,075,825
<b>Cash and cash equivalents at beginning of year</b>	7,410,227	5,334,402
<b>Cash and cash equivalents at end of year</b>	<u>8,603,604</u>	<u>7,410,227</u>

The notes on pages 13 to 22 form part of these financial statements.

**Stanhope-Seta Limited**  
**Notes to the Financial Statements**  
**Year ended 31 July 2021**

**1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the principal place of business is London Street, Chertsey, Surrey, KT16 8AP, UK.

**2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

**3. Accounting policies**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**Going concern**

During the year the company made a profit before tax of £1,093,678 (2020: £1,173,335) and the statement of financial position shows net assets of £10,722,975 (2020: £10,177,199). The directors have considered the basis of preparation of the financial statements and have concluded that it is appropriate to prepare these on the going concern basis. This assessment is due to the company's forecasts demonstrating sufficient funds and cash flows to be able to manage its liabilities as they fall due for a period of not less than 12 months of the approval of the financial statements.

The directors have also considered and will continue to monitor the threat and implications of the Covid-19 pandemic and the impact that the virus has had on our business sector and the wider macro-economic environment. Based on a review of the activities of the company to date, the current working capital position of the company and the ability to reduce certain costs in the short term, the directors currently believe that this risk can be managed for the year ahead. The company therefore continues to adopt the going concern basis in preparing its financial statements.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

***Significant judgements and estimates***

***Stock***

Provisions are made for slow moving and obsolete stock and are reviewed regularly by the directors and management of the company. Stock is either written off or written down to the net realisable value in these instances.

# **Stanhope-Seta Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 July 2021**

### **3. Accounting policies *(continued)***

#### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for the design and manufacture quality control instruments used to measure the physical characteristics that determine product quality and consistency, stated net of discounts and of Value Added Tax.

Turnover is recognised once the goods have been delivered and the significant risks and rewards of ownership have transferred to the customer.

#### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

#### **Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

#### **Interest income**

Interest income is reported on the accruals basis, using the effective interest rate method.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.



# **Stanhope-Seta Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 July 2021**

### **3. Accounting policies *(continued)***

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold Property	-	over 50 years
Plant & Equipment	-	15% or 33.3% straight line
Fixtures & Fittings	-	15% straight line
Motor Vehicles	-	25% straight line

Freehold land is not depreciated.

#### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

#### **Stocks**

Stock and work in progress have been valued at the lower of cost and net realisable value. Finished goods stock includes a proportion of factory overhead expenditure. Stock and work in progress have been valued at the lower of cost and net realisable value. Finished goods stock includes a proportion of factory overhead expenditure.

#### **Innovation grants**

Grants are recognised at the fair value of the asset received or receivable and include grants received under the Innovate UK funding scheme. Grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants have been received. Grant income has been recognised against the associated expense in the statement of comprehensive income.

# Stanhope-Seta Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

### 3. Accounting policies *(continued)*

#### Financial instruments

##### *Financial assets*

Financial assets are recognised when the Company becomes a party to the contractual provisions of the financial instrument. The Company does not hold any third party financial assets.

##### *Loans and receivables*

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are initially recognised at fair value and are subsequently measured using the effective interest method less provision for any impairment.

##### *Financial liabilities and equity instruments*

Financial liabilities and equity are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Other financial liabilities (including borrowing and trade and other payables) are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

#### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

### 4. Turnover

Turnover arises from:

	2021	2020
	£	£
Sale of goods	13,281,383	15,194,043

The turnover is attributable to the one principal activity of the company.

The Directors have chosen not to disclose a split of revenue by customer's location, as such disclosure is considered to be seriously prejudicial to the Company's interest.

# **Stanhope-Seta Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 July 2021**

### **5. Innovation grant funding**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Innovation grant income	<u>381,500</u>	<u>—</u>

### **6. Operating profit**

Operating profit or loss is stated after charging/crediting:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible assets	142,899	144,034
Gains on disposal of tangible assets	(20,101)	(35,498)
Foreign exchange differences	<u>2,102</u>	<u>3,180</u>

### **7. Auditor's remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Fees payable for the audit of the financial statements	<u>14,950</u>	<u>15,000</u>

Fees payable to the company's auditor and its associates for other services:

Audit-related assurance services	<u>33,442</u>	<u>23,089</u>
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### **8. Particulars of employees**

The average number of persons employed by the company during the year, including the directors and key management personnel, amounted to:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Production staff	32	35
Administrative staff	48	53
Management staff	3	3
	<u>83</u>	<u>91</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,248,765	4,618,809
Social security costs	519,499	540,858
Other pension costs	74,241	67,464
	<u>4,842,505</u>	<u>5,227,131</u>

### **9. Directors' remuneration**

The directors' aggregate remuneration in respect of qualifying services was:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Remuneration	<u>1,867,200</u>	<u>1,867,200</u>

# **Stanhope-Seta Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 July 2021**

### **9. Directors' remuneration *(continued)***

Remuneration of the highest paid director in respect of qualifying services:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Aggregate remuneration	<u>913,600</u>	<u>913,600</u>

There are considered to be no key management personnel other than the directors, of which their remuneration has been disclosed above.

### **10. Interest receivable**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest on cash and cash equivalents	<u>775</u>	<u>14,939</u>

### **11. Taxation on ordinary activities**

#### **Major components of tax income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Current tax:</b>		
UK current tax income	(52,098)	–
Adjustments in respect of prior periods	–	(98,393)
Total current tax	<u>(52,098)</u>	<u>(98,393)</u>
<b>Taxation on ordinary activities</b>	<u>(52,098)</u>	<u>(98,393)</u>

#### **Reconciliation of tax income**

The tax assessed on the profit on ordinary activities for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>1,093,678</u>	<u>1,173,335</u>
Profit on ordinary activities by rate of tax	207,799	222,934
Effect of expenses not deductible for tax purposes	(722)	2,274
Effect of capital allowances and depreciation	(7,252)	(14,261)
Utilisation of tax losses	–	(16,735)
Unused tax losses	2,530	2,789
Deduction for qualifying R&D expenditure	(254,453)	(295,334)
Deductions allowable for tax purposes	–	(60)
Tax on profit	<u>(52,098)</u>	<u>(98,393)</u>

# **Stanhope-Seta Limited**

## **Notes to the Financial Statements (continued)**

**Year ended 31 July 2021**

### **12. Dividends**

Dividends paid during the year::

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Dividends on equity shares	<u>600,000</u>	<u>600,000</u>

### **13. Tangible assets**

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	<b>Total £</b>
<b>Cost</b>					
At 1 August 2020	1,042,856	629,513	436,479	295,560	2,404,408
Additions	10,042	41,037	6,628	126,440	184,147
Disposals	—	—	—	(89,129)	(89,129)
<b>At 31 July 2021</b>	<u>1,052,898</u>	<u>670,550</u>	<u>443,107</u>	<u>332,871</u>	<u>2,499,426</u>
<b>Depreciation</b>					
At 1 August 2020	196,254	508,024	382,121	183,940	1,270,339
Charge for the year	16,807	63,277	14,299	48,516	142,899
Disposals	—	—	—	(79,980)	(79,980)
<b>At 31 July 2021</b>	<u>213,061</u>	<u>571,301</u>	<u>396,420</u>	<u>152,476</u>	<u>1,333,258</u>
<b>Carrying amount</b>					
<b>At 31 July 2021</b>	<u>839,837</u>	<u>99,249</u>	<u>46,687</u>	<u>180,395</u>	<u>1,166,168</u>
At 31 July 2020	<u>846,602</u>	<u>121,489</u>	<u>54,358</u>	<u>111,620</u>	<u>1,134,069</u>

### **14. Stocks**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Raw materials	1,851,195	1,821,970
Work in progress	344,879	326,146
Finished goods	1,006,737	1,308,489
	<u>3,202,811</u>	<u>3,456,605</u>

There is no material difference between the replacement cost of stocks and the amounts stated above. The provision for slow moving and obsolete stock at the year-end was £201,355 (2020: £189,509).

Movements within stock are recognised within cost of sales in the profit and loss account.

# **Stanhope-Seta Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 July 2021**

### **15. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,331,415	1,597,150
Prepayments and accrued income	86,014	120,110
Corporation tax repayable	52,098	–
VAT recoverable	148,557	169,993
Other debtors	6,236	39,536
	<u>1,624,320</u>	<u>1,926,789</u>

All trade debtor amounts are short term. All of the Company's trade and other debtors have been reviewed for indicators of impairment and, where necessary, a provision for impairment provided. The carrying value is considered a fair approximation of their fair value. The Company's management considers that all the above financial assets that are not impaired or past due are of good credit quality, as such no provision has been made against the trade debtor balance. The provision for trade debtors at the year-end was £nil (2020: £nil).

### **16. Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,065,124	1,280,563
Accruals and deferred income	2,121,702	2,125,902
Social security and other taxes	76,436	143,651
Director loan accounts	610,666	200,375
	<u>3,873,928</u>	<u>3,750,491</u>

All amounts are short term. The Directors consider that the carrying value of trade and other creditors to be a reasonable approximation of fair value.

### **17. Employee benefits**

#### **Defined contribution plans**

The Company operates a defined contribution scheme. The assets of the scheme are held separately from those of the Company, being invested with an insurance company. Contributions payable in the period by the Company to the scheme amounted to £74,241 (2020: £67,464). There was an amount owed to the scheme of £6,059 at the reporting date (2020: £9,995).

### **18. Innovation grant funding**

The amounts recognised in the financial statements for innovation grant funding are as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Recognised in innovation grants funding:		
Innovation grant income	<u>381,500</u>	<u>–</u>

# Stanhope-Seta Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2021

### 19. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2021 £	2020 £
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Financial assets that are debt instruments measured at amortised cost	10,027,269	9,167,023
<b>Financial liabilities measured at amortised cost</b>		
Financial liabilities measured at amortised cost	3,797,492	3,606,465

The Company holds or issues financial instruments to finance its operations. The Company does not trade in financial instruments.

### 20. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
A Ordinary shares of £1 each	100	100	100	100
B Ordinary shares of £1 each	1,000,000	1,000,000	1,000,000	1,000,000
	<u>1,000,100</u>	<u>1,000,100</u>	<u>1,000,100</u>	<u>1,000,100</u>

Non equity shares consist of 100 'A' ordinary shares of £1 each. The shares confer the right on a winding up to the return of the capital paid up in priority to any other class of share.

### 21. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

### 22. Analysis of changes in net debt

	At 1 Aug 2020 £	Cash flows £	At 31 Jul 2021 £
Cash at bank and in hand	7,410,227	1,193,377	8,603,604
Debt due within one year	(200,375)	(410,291)	(610,666)
	<u>7,209,852</u>	<u>783,086</u>	<u>7,992,938</u>

**23. Other financial commitments**

As at 31 July 2021 the company had no capital or other commitments or contracts for capital expenditure in place in the year (2020: £nil).

**24. Contingencies**

As at the reporting date, the Company had a class guarantee facility of £9m available. This facility is due for review in June 2022.

**25. Directors' advances, credits and guarantees**

At the balance sheet, the company owed the directors £610,170 (2020: £200,375) the amount is repayable on demand and no interest is charged.

**26. Related party transactions**

The company is under the control of the director, Mrs M Richardson by virtue of her 100% shareholding.

No related party transactions were undertaken as such that are required to be disclosed under FRS 102.