

Egbert H. Taylor & Company Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2021

Egbert H. Taylor & Company Limited

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Egbert H. Taylor & Company Limited

Company Information

Directors B F Murphy
 L R Powell
 H Allen

Company secretary L R Powell

Registered office Oak Park
 Ryelands Lane
 Elmley Lovett
 Droitwich
 Worcestershire
 WR9 0QZ

Auditors Clement Rabjohns Limited
 Registered Auditors and Chartered Accountants
 111/113 High Street
 Evesham
 Worcestershire
 WR11 4XP

Egbert H. Taylor & Company Limited

Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Principal activity

The principal activity of the company is the manufacture and supply of waste containers.

Fair review of the business

2021 proved a very successful year with the company meeting its forecast target set in 2020 of over £1 million in EBITDA. Turnover was increased from £10.2m to £13m, whilst maintaining and slightly improving gross margin. The company returned to profitability which is expected to increase further in 2022, despite challenges with the global market conditions, steel and energy prices.

The increase in turnover was delivered from an improved UK market following the 2020 complications with Brexit and the Covid-19 pandemic.

2021 saw our holding company Egbert Taylor Holdings Limited sold to a new ultimate parent EHT Holdco inc, based in USA who commenced an expansion plan with acquiring a new subsidiary of Container Components Europe Limited, in July 2022. This sister company will bring synergy savings to the company, new expertise and enable us to be more competitive in the market place.

The company's key financial and other performance indicators during the year were as follows:

Financial KPIs	Unit	2021	2020
Turnover	£	13,075,577	10,188,709
Profit/(loss) before tax	£	278,233	(6,043)
Gross profit	%	30	30
EBITDA (before non-recurring exceptional costs)	£	1,041,552	230,653

The cash position of the business remains strong and well managed.

The company continues its focus on health, safety and employee welfare and has a very good record of staff retention.

Principal risks and uncertainties

The key business risks and uncertainties affecting the company are considered to relate to competition from other waste container providers both, employee retention and product availability.

Approved and authorised by the Board on 26 August 2022 and signed on its behalf by:

.....

L R Powell

Company secretary and director

Egbert H. Taylor & Company Limited

Directors' Report for the Year Ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors of the company

The directors who held office during the year were as follows:

B F Murphy

L R Powell - Company secretary and director

H Allen (appointed 4 November 2021)

Financial instruments

Objectives and policies

The company's activities expose it to a number of financial risks including price risk, credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the company's policies approved by the board of directors. The company does not use derivative financial instruments for speculative purposes.

Price risk, credit risk, liquidity risk and cash flow risk

Commodity price risk

The company is exposed to commodity price risk, namely the prices steel and zinc, as a result of its operations. In order to manage these risks, the company has a policy of dual-sourcing raw materials and carries out regular supplier benchmarking exercises. The company is also able to use its buying power to gain price commitments from suppliers for periods between three and twelve months. This gives the company more time to react to unavoidable commodity price increases and to ensure that such increased costs are appropriately reflected in the company's selling prices.

Export sales

Export sales are both an opportunity and a risk for the business which is now experiencing the need for increased foreign currency management, adherence to the terms of letters of credit, export carriage and transfer of ownership risk. To mitigate these risks, the business has increased its training expenditure on export related courses, holds regular currency reviews with its bankers and ensures that terms of sale are adequately communicated to customers.

Credit risk

The company's customers generally have high quality credit ratings and trade debtor default is accordingly low. However, in the continuing subdued economic climate, the company acknowledges that there may be an increased risk of trade debtor default. The company manages this risk through maintaining a rigorous credit control and debtor collection policy. Aged debtor analyses are regularly reviewed, and credit is suspended if a customer fails to meet its obligations on a timely basis. The company makes extensive use of confirmed letters of credit when selling to overseas customers.

Egbert H. Taylor & Company Limited

Directors' Report for the Year Ended 31 December 2021

Funding risk

The funding risk for this entity is borne by Egbert Taylor Holdings Limited, the company's parent company, which in turn is supported financially by its controlling shareholder. The company also uses its invoice discounting facility to finance its day-to-day working capital needs and therefore the continuing availability of this facility is an important source of funding for the company.

Capital spending plans of the major customers

The company is exposed to the buying patterns of its major customers many of which are public sector local authorities. The company maintains close relationships with customers with a view to predicting demand patterns. The company also seeks to track as far as possible the activities and supply quotations of its competitors.

Going concern

The board has reviewed the outlook for the business based on the improved year in 2021 and the outlook for the years 2022 and 2023. The results for 2021 confirmed that the actions taken to restore the business on to a sound footing back in 2019 were successful and have continued to reap benefits. The sale of the ultimate parent, subsequent group expansion will enhance profitability, market share and growth.

The excellent results and £1m EBITDA and increased turnover, coupled with strong cash management have positioned the business to do well over the next 2 years.

Directors' liabilities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial period and is currently in force. The company also purchased, and maintained throughout the financial period, directors and officers' liability insurance in respect of itself and its directors.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Clement Rabjohns Limited as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved and authorised by the Board on 26 August 2022 and signed on its behalf by:

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L R Powell

Company secretary and director

Egbert H. Taylor & Company Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Egbert H. Taylor & Company Limited

Independent Auditor's Report to the Members of Egbert H. Taylor & Company Limited

Opinion

We have audited the financial statements of Egbert H. Taylor & Company Limited (the 'company') for the year ended 31 December 2021, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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.

Egbert H. Taylor & Company Limited

Independent Auditor's Report to the Members of Egbert H. Taylor & Company Limited

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 company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Egbert H. Taylor & Company Limited

Independent Auditor's Report to the Members of Egbert H. Taylor & Company Limited

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 5], 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.

Auditor 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.

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

Enquiry of management, those charged with governance around actual and potential litigation and claims.

Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.

Reviewing minutes of meetings of those charged with governance.

Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available 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.

Egbert H. Taylor & Company Limited

Independent Auditor's Report to the Members of Egbert H. Taylor & Company Limited

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Philip Parsons FCA (Senior Statutory Auditor)
For and on behalf of Clement Rabjohns Limited, Statutory Auditor
111/113 High Street
Evesham
Worcestershire
WR11 4XP

26 August 2022

Egbert H. Taylor & Company Limited

Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	<u>3</u>	13,075,577	10,188,708
Cost of sales		<u>(9,104,254)</u>	<u>(7,149,484)</u>
Gross profit		3,971,323	3,039,224
Distribution costs		(441,783)	(470,193)
Administrative expenses		(3,234,354)	(2,643,040)
Other operating income	<u>4</u>	<u>-</u>	<u>83,422</u>
Operating profit	<u>5</u>	295,186	9,413
Interest payable and similar expenses	<u>7</u>	<u>(16,953)</u>	<u>(15,456)</u>
Profit/(loss) before tax		278,233	(6,043)
Tax on profit/(loss)	<u>11</u>	<u>(53,378)</u>	<u>(2,408)</u>
Profit/(loss) for the financial year		<u><u>224,855</u></u>	<u><u>(8,451)</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Egbert H. Taylor & Company Limited

Statement of Comprehensive Income for the Year Ended 31 December 2021

	2021 £	2020 £
Profit/(loss) for the year	<u>224,855</u>	<u>(8,451)</u>
Total comprehensive income for the year	<u><u>224,855</u></u>	<u><u>(8,451)</u></u>

Egbert H. Taylor & Company Limited

(Registration number: 00718441)
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	<u>13</u>	339,676	353,139
Current assets			
Stocks	<u>14</u>	967,374	1,033,148
Debtors	<u>15</u>	3,258,811	3,055,877
Cash at bank and in hand		373,746	533,725
		4,599,931	4,622,750
Creditors: Amounts falling due within one year	<u>17</u>	(3,233,523)	(3,491,803)
Net current assets		1,366,408	1,130,947
Total assets less current liabilities		1,706,084	1,484,086
Creditors: Amounts falling due after more than one year	<u>17</u>	(2,809,246)	(2,822,243)
Provisions for liabilities	<u>18</u>	(247,807)	(237,667)
Net liabilities		(1,350,969)	(1,575,824)
Capital and reserves			
Called up share capital		566,000	566,000
Retained earnings		(1,916,969)	(2,141,824)
Shareholders' deficit		(1,350,969)	(1,575,824)

Approved and authorised by the Board on 26 August 2022 and signed on its behalf by:

.....
L R Powell
Company secretary and director

Egbert H. Taylor & Company Limited

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £	Retained earnings £	Total £
At 1 January 2021	566,000	(2,141,824)	(1,575,824)
Profit for the year	-	224,855	224,855
At 31 December 2021	566,000	(1,916,969)	(1,350,969)

	Share capital £	Retained earnings £	Total £
At 1 January 2020	566,000	(2,133,373)	(1,567,373)
Loss for the year	-	(8,451)	(8,451)
At 31 December 2020	566,000	(2,141,824)	(1,575,824)

1 General information

The company is a private company limited by share capital, incorporated in England and Wales, UK.

The address of its registered office is:

Oak Park
Rylands Lane
Elmley Lovett
Droitwich
Worcestershire
WR9 0QZ
United Kingdom

These financial statements were authorised for issue by the Board on 26 August 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of disclosure exemptions

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to the preparation of a statement of cash flows, financial instruments and key management compensation.

Going concern

The financial statements have been prepared on a going concern basis.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the company's activities.

Egbert H. Taylor & Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Government grants

Grants which relate to revenue shall be recognised in income on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling being the functional currency of the company at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rate on the date when the fair value is measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current 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 operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, over their estimated useful lives as follows:

Asset class	Depreciation rate and method
Leasehold improvements	straight line over the life of the lease
Plant and machinery, including tooling	10% - 20%, straight line
Office machinery, fixtures and fittings	10% or 33%, straight line
Motor vehicles	25%, straight line

Egbert H. Taylor & Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Development costs	over 5 years, straight line

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Egbert H. Taylor & Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Egbert H. Taylor & Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

3 Revenue

The analysis of the company's turnover for the year from continuing operations is as follows:

	2021	2020
	£	£
Sale of goods	13,060,834	10,027,474
Grants received	-	137,791
Other revenue	14,743	23,443
	<u>13,075,577</u>	<u>10,188,708</u>

The analysis of the company's turnover for the year by class of business is as follows:

	2021	2020
	£	£
Waste containers	13,060,834	10,027,474
Other revenue	14,743	161,234
	<u>13,075,577</u>	<u>10,188,708</u>

The analysis of the company's turnover for the year by market is as follows:

	2021	2020
	£	£
UK	10,297,172	7,379,883
Europe	49,329	123,268
Rest of world	2,729,076	2,685,557
	<u>13,075,577</u>	<u>10,188,708</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2021	2020
	£	£
Government grants	<u>-</u>	<u>83,422</u>

Egbert H. Taylor & Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

5 Operating profit

Arrived at after charging/(crediting)

	2021	2020
	£	£
Depreciation expense	118,147	165,781
Research and development cost	273	1,844
Foreign exchange gains	(50,463)	(41,404)
Operating lease expense - plant and machinery	96,073	59,563
Operating lease expense - other	-	2,533

6 Government grants

No coronavirus job retention scheme grants have been received on relevant employees in the year.

The amount of grants recognised in other operating income was £Nil (2020 - £83,422) with a total amount recognised in the financial statements of £Nil (2020 £221,213).

7 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and borrowings	16,953	14,582
Interest expense on other finance liabilities	-	874
	16,953	15,456

Egbert H. Taylor & Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £	2020 £
Wages and salaries	1,987,403	1,852,066
Social security costs	186,438	175,031
Other short-term employee benefits	15,055	9,970
Pension costs, defined contribution scheme	83,693	84,210
	<u>2,272,589</u>	<u>2,121,277</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Production	36	36
Administration and support	26	25
	<u>62</u>	<u>61</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	239,732	248,938
Contributions paid to money purchase schemes	18,111	17,730
	<u>257,843</u>	<u>266,668</u>

In addition to the above bonuses were paid to Directors totalling £365,268 and were disclosed as non-recurring exceptional costs.

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021 No.	2020 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

Egbert H. Taylor & Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

In respect of the highest paid director:

	2021 £	2020 £
Remuneration	484,848	177,496
Company contributions to money purchase pension schemes	<u>15,262</u>	<u>15,000</u>

10 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>12,089</u>	<u>16,905</u>

11 Taxation

Tax charged/(credited) in the profit and loss account

	2021 £	2020 £
Deferred taxation		
Arising from origination and reversal of timing differences	<u>53,378</u>	<u>2,408</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19.00% (2020 - 19.00%).

The differences are reconciled below:

	2021 £	2020 £
Profit/(loss) before tax	<u>278,233</u>	<u>(6,043)</u>
Corporation tax at standard rate	52,864	(1,148)
Effect of expense not deductible in determining taxable profit (tax loss)	(601)	278
Effect of tax losses	(6,083)	98
Tax increase from effect of capital allowances and depreciation	11,267	3,180
Tax decrease from other short-term timing differences	<u>(4,069)</u>	<u>-</u>
Total tax charge	<u>53,378</u>	<u>2,408</u>

Egbert H. Taylor & Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Deferred tax

Deferred tax assets and liabilities

	Asset £	Liability £
2021		
Accelerated tax depreciation	12,029	-
Provisions	54,676	-
Tax losses carry-forwards	119,048	-
	<u>185,753</u>	<u>-</u>
2020		
Accelerated tax depreciation	22,916	-
Provisions	49,871	-
Tax losses carry-forwards	166,344	-
	<u>239,131</u>	<u>-</u>

12 Intangible assets

	Other intangible assets £	Total £
Cost or valuation		
At 1 January 2021	<u>129,561</u>	<u>129,561</u>
At 31 December 2021	<u>129,561</u>	<u>129,561</u>
Amortisation		
At 1 January 2021	<u>129,561</u>	<u>129,561</u>
At 31 December 2021	<u>129,561</u>	<u>129,561</u>
Carrying amount		
At 31 December 2021	<u>-</u>	<u>-</u>
At 31 December 2020	<u>-</u>	<u>-</u>

The aggregate amount of research and development expenditure recognised as an expense during the period is £ 273 (2020 - £1,844).

Egbert H. Taylor & Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

13 Tangible assets

	Leasehold improvements £	Fixtures and fittings £	Plant and machinery £	Total £
Cost or valuation				
At 1 January 2021	258,418	1,029,086	4,091,391	5,378,895
Additions	18,652	6,375	79,657	104,684
At 31 December 2021	277,070	1,035,461	4,171,048	5,483,579
Depreciation				
At 1 January 2021	210,929	962,492	3,852,335	5,025,756
Charge for the year	18,386	35,185	64,576	118,147
At 31 December 2021	229,315	997,677	3,916,911	5,143,903
Carrying amount				
At 31 December 2021	47,755	37,784	254,137	339,676
At 31 December 2020	47,489	66,594	239,056	353,139

Included within the net book value of land and buildings above is £47,755 (2020 - £47,489) in respect of short leasehold land and buildings.

14 Stocks

	2021 £	2020 £
Raw materials and consumables	756,392	284,895
Work in progress	187,175	511,633
Finished goods and goods for resale	23,807	236,620
	967,374	1,033,148

Egbert H. Taylor & Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

15 Debtors

		2021	2020
Current	Note	£	£
Trade debtors		1,950,570	1,858,099
Amounts owed by related parties	<u>23</u>	641,300	506,783
Other debtors		6,378	6,378
Prepayments		474,810	445,486
Deferred tax assets	<u>11</u>	185,753	239,131
		<u>3,258,811</u>	<u>3,055,877</u>

Details of non-current trade and other debtors

£170,893 (2020 -£188,526) of Prepayments is classified as non-current. These relate to deferred licence costs.

£185,753 (2020 -£239,131) of Deferred tax assets is classified as non-current.

The carrying amount of trade debtors pledged as security for liabilities amounted to £Nil (2020 - £1,873,606).

The UK book debts of the company were subject to an invoice discounting facility from Lloyds Bank. This facility was repaid in 2021 and therefore, the receivables were not pledged as security as at the year end.

16 Cash and cash equivalents

	2021	2020
	£	£
Cash on hand	560	226
Cash at bank	373,186	533,499
	<u>373,746</u>	<u>533,725</u>

Egbert H. Taylor & Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

17 Creditors

	Note	2021 £	2020 £
Due within one year			
Loans and borrowings	<u>21</u>	10,000	1,075,097
Trade creditors		1,614,381	1,865,134
Amounts due to related parties	<u>23</u>	1,132,605	-
Social security and other taxes		88,162	97,146
Outstanding defined contribution pension costs		25,958	10,813
Other payables		10,705	-
Accruals		351,712	443,613
		<u>3,233,523</u>	<u>3,491,803</u>
Due after one year			
Loans and borrowings	<u>21</u>	35,330	-
Other non-current financial liabilities		2,773,916	2,822,243
		<u>2,809,246</u>	<u>2,822,243</u>

18 Provisions for liabilities

	Warranties £	Deferred tax £	Other provisions £	Total £
At 1 January 2021	18,905	(239,131)	218,762	(1,464)
Increase (decrease) in existing provisions	-	53,378	10,140	63,518
At 31 December 2021	<u>18,905</u>	<u>(185,753)</u>	<u>228,902</u>	<u>62,054</u>

19 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £83,693 (2020 - £84,210). Contributions totalling £25,958 (2020 - £10,813) were payable to the scheme at the end of the year and are included in creditors.

Egbert H. Taylor & Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

20 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	566,000	566,000	566,000	566,000

21 Loans and borrowings

	2021	2020
	£	£
Non-current loans and borrowings		
Bank borrowings	35,330	-

	2021	2020
	£	£
Current loans and borrowings		
Bank borrowings	10,000	1,075,097

Bank borrowings

Invoice discounting facility is denominated in GBP with a fixed interest rate of 2.5%. The carrying amount at year end is £Nil (2020 - £1,025,097).

The outstanding balance of the facility was repaid during the year. No invoice facility was outstanding as the year end. However, a new invoice discounting facility was agreed with Santander UK plc in March 2022.

Outstanding invoice facility has no fixed repayment schedule and are repayable on demand.

Bounceback loan is denominated in GBP with a fixed interest rate of 2.5%. The carrying amount at year end is £45,330 (2020 - £50,000).

The loan is unsecured and repayable over 72 months.

Egbert H. Taylor & Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

22 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	587,654	555,302
Later than one year and not later than five years	2,042,513	2,088,861
Later than five years	1,583,333	2,083,333
	<u>4,213,500</u>	<u>4,727,496</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £656,903 (2020 - £580,517).

23 Related party transactions

Summary of transactions with other related parties

Egbert Taylor Middle East LLC

The parent company, Egbert Taylor Holdings Limited, holds 49% of the issued share capital in Egbert Taylor Middle East LLC. During the year there were non-interest bearing inter-company loans advanced to Egbert Taylor Middle East LLC by the company. The outstanding loan balance at the year end was £641,300 (2020 - £506,783).

Income and receivables from related parties

	Other related parties £
2021	
Amounts receivable from related party	<u>641,300</u>
	Other related parties £
2020	
Amounts receivable from related party	<u>506,783</u>

Loans from related parties

	Parent £	Total £
2021		
Advanced	<u>1,132,605</u>	<u>1,132,605</u>
At end of period	<u>1,132,605</u>	<u>1,132,605</u>

Terms of loans from related parties

Loan facility created by EHT Holdco INC, repayable in 5 years. Interest is chargeable at 5.5% accrued daily.

Egbert H. Taylor & Company Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

24 Parent and ultimate parent undertaking

Rockwood Gp Iii, Llc have full control over Egbert Taylor Holdings Ltd since the acquisition from Indigo Capital LLP on 4th November 2021.

The company's immediate parent is Egbert Taylor Holdings Limited, incorporated in the United Kingdom.

The ultimate parent is EHT Holdco INC, incorporated in the United States of America.

The most senior parent entity producing publicly available financial statements is Egbert Taylor Holdings Limited

.The ultimate controlling party is Rockwood Gp Iii, Llc.

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