

Company Registration No. 00902613 (England and Wales)

SICO EUROPE LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 NOVEMBER 2022

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SICO EUROPE LIMITED

COMPANY INFORMATION

Directors	C E Wilson K R Steinbauer M J Robson
Secretary	A G Ferguson
Company number	00902613
Registered office	The Link Park Lympne Industrial Estate Lympne Kent CT21 4LR
Auditor	RSM UK Audit LLP Chartered Accountants Third Floor T Bromley 15-17 London Road Bromley Kent BR1 1DE
Solicitors	Girlings Stourside Place Station Road Ashford Kent TN23 1YB

SICO EUROPE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2022

The directors present their annual report and group financial statements for the year ended 30 November 2022.

Principal activities

The principal activity of the company and group continued to be that of manufacture, sale and servicing of mobile folding space efficient products.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

H K Wilson	(Resigned 27 January 2023)
C E Wilson	
S J Trimmer	(Resigned 30 April 2022)
K R Steinbauer	
M J Robson	

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



M J Robson
Director

Date: 17th May 2023

SICO EUROPE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2022

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SICO EUROPE LIMITED

Opinion

We have audited the financial statements of SICO Europe Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2022 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position 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 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 group's and of the parent company's affairs as at 30 November 2022 and of the group's profit for the year then ended;
- % have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- % have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SICO EUROPE LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in 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 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; or
- ⌘ the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team and component auditors:

- ⌘ obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- ⌘ inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- ⌘ discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SICO EUROPE LIMITED (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and inspecting correspondence with tax advisors.

The group audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and performed specific testing of revenue transactions surrounding the year end.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://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.

Helen Hunt

Helen Hunt (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Third Floor
T Bromley
15-17 London Road
Bromley
Kent, BR1 1DE

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30/05/23

SICO EUROPE LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 NOVEMBER 2022

	Notes	2022 £	2021 £
Turnover		11,114,004	8,850,246
Cost of sales		(7,964,610)	(6,111,248)
Gross profit		3,149,394	2,738,998
Distribution costs		(224,588)	(176,786)
Administrative expenses		(3,613,424)	(3,100,932)
Other operating income	2	808,230	669,559
Operating profit		119,612	130,839
Interest payable and similar expenses		(49,414)	(29,619)
Other gains and losses	4	(755)	6,604
Profit before taxation		69,443	107,824
Tax on profit		-	(2,907)
Profit for the financial year		69,443	104,917
Other comprehensive income net of taxation			
Currency translation differences		21,953	(16,748)
Total comprehensive income for the year		91,396	88,169

Profit for the financial year is all attributable to the owners of the parent company.

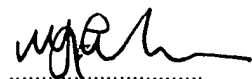
Total comprehensive income for the year is all attributable to the owners of the parent company.

SICO EUROPE LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	5		-		-
Tangible assets	6		1,553,308		1,550,104
Current assets					
Stocks		1,535,006		991,629	
Debtors	9	3,069,655		2,936,523	
Cash at bank and in hand		194,494		201,176	
		4,799,155		4,129,328	
Creditors: amounts falling due within one year	10	(3,533,458)		(2,883,971)	
Net current assets			1,265,697		1,245,357
Total assets less current liabilities			2,819,005		2,795,461
Creditors: amounts falling due after more than one year	11		(1,401,540)		(1,469,392)
Provisions for liabilities			(20,000)		(20,000)
Net assets			1,397,465		1,306,069
Capital and reserves					
Called up share capital	12		38,940		38,940
Share premium account	13		149,558		149,558
Profit and loss reserves	14		1,208,967		1,117,571
Total equity			1,397,465		1,306,069

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 17 May 2023. and are signed on its behalf by:



M J Robson
Director


SICO EUROPE LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 30 NOVEMBER 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	6	1,551,877		1,550,104	
Investments	7	76,644		76,644	
		<u>1,628,521</u>		<u>1,626,748</u>	
Current assets					
Stocks		1,513,011		961,873	
Debtors	9	3,047,330		2,924,324	
Cash at bank and in hand		74,878		74,290	
		<u>4,635,219</u>		<u>3,960,487</u>	
Creditors: amounts falling due within one year	10	<u>(3,455,155)</u>		<u>(2,769,920)</u>	
Net current assets		<u>1,180,064</u>		<u>1,190,567</u>	
Total assets less current liabilities		<u>2,808,585</u>		<u>2,817,315</u>	
Creditors: amounts falling due after more than one year	11	<u>(1,401,540)</u>		<u>(1,469,392)</u>	
Provisions for liabilities		<u>(20,000)</u>		<u>(20,000)</u>	
Net assets		<u><u>1,387,045</u></u>		<u><u>1,327,923</u></u>	
Capital and reserves					
Called up share capital	12	38,940		38,940	
Share premium account	13	149,558		149,558	
Profit and loss reserves	14	1,198,547		1,139,425	
Total equity		<u><u>1,387,045</u></u>		<u><u>1,327,923</u></u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £59,122 (2021: £148,213 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 17/05/2023 and are signed on its behalf by:


 M J Robson
 Director

SICO EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

Company information

SICO Europe Limited ("the company") is a private company limited by shares, and is registered, domiciled and incorporated in England and Wales. The registered office is The Link Park, Lympe Industrial Estate, Lympe, Kent, CT21 4LR.

The active group consists of SICO Europe Limited and its subsidiary, SICO Sistemas SL.

The company's and the group's principal activities and nature of operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate those of SICO Europe Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 30 November 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Going concern

During the year, the group made total comprehensive income of £91,396 (2021: £88,169). At the balance sheet date the group had net current assets of £1,265,697 (2021: £1,245,357) and net assets of £1,397,465 (2021: £1,306,069).

The directors are satisfied that the funding facilities in place and, along with the support of the ultimate parent company, are sufficient for the group to be able to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements. The ultimate parent company, SICO Incorporated, has confirmed its support to the group for a period of at least 12 months from the date of approval of these financial statements.

The financial statements have been prepared on the going concern basis because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the group to continue as a going concern.

SICO EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies (Continued)

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on delivery of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of services is recognised when the performance of services takes place in accordance with the contract terms of sales.

Other operating income

Other operating income comprises of transfer pricing adjustment between the company and its parent company. The transfer pricing adjustment is calculated using the comparable profits method and the transactional net margin method, which adjust operating profit margin to an arm's length margin, as dictated by analysing those of similar business under similar circumstances.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	25% per annum
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Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised on a straight line basis so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land & buildings	2.5% per annum on building costs
Plant & machinery	10% - 33% per annum
Fixtures & fittings	10% - 50% per annum
Motor vehicles	20% per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

SICO EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies (Continued)

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Stocks

Finished goods

Finished goods are valued at the lower of cost and net realisable value. Cost includes all direct expenditure and production overheads based upon the normal level of activity. Net realisable value is based upon estimated selling price less further costs of completion and disposal.

Raw materials

Raw materials are valued at the lower of cost and net realisable value. Cost includes all direct expenditure.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

At each reporting date, an assessment is made for impairment across all stock lines. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

SICO EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include trade and other debtors and amounts owed by group undertakings, cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Classification of financial liabilities

Financial liabilities and equity instruments 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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

Derivatives

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

SICO EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Warranty Provisions

The group provides product warranty to its customers depending on product type, under which faulty products are repaired or replaced. The amount of provision for the warranty contains uncertainties because it requires management to make assumptions and to apply judgement based on past actual and expected future defective rates of products sold. Any increase or decrease in the actual claims will affect profit or loss in future years.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

SICO EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies (Continued)

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either other creditors or other debtors.

Leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, and hire purchase contracts, are capitalised in the balance sheet at their fair value and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Sistemas SICO SL reports its financial results in Euros. Assets and liabilities are translated into the Group's presentation currency at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the directors consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

SICO EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

2 Other operating income

	2022 £	2021 £
Other revenue		
Group commissions received	767,014	550,240
Grants received	41,216	117,159
Other income	-	2,160
	<u>767,014</u>	<u>669,559</u>

Other operating income of £41,216 (2021: £Nil) relates to government grants received, in respect of Covid-19 Hardship Relief Fund. Other operating income of £Nil (2021: £117,159) relates to government grants received, in respect of the Coronavirus Job Retention Scheme (CJRS).

3 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Total employees	<u>70</u>	<u>69</u>	<u>68</u>	<u>67</u>

4 Other gains and losses

	2022 £	2021 £
Fair value (losses)/gains		
Change in the value of financial liabilities held at fair value through profit or loss	(755)	6,604
	<u>(755)</u>	<u>6,604</u>

The group uses interest rates swaps to manage its exposure to interest rate movements on its bank borrowings. No derivative instruments were outstanding at the year-end.

SICO EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

5 Intangible fixed assets

Group	Goodwill £	Software £	Total £
Cost			
At 1 December 2021 and 30 November 2022	40,835	1,466	42,301
Amortisation and impairment			
At 1 December 2021 and 30 November 2022	40,835	1,466	42,301
Carrying amount			
At 30 November 2021 and 30 November 2022	-	-	-

The company had no intangible fixed assets at 30 November 2022 or 30 November 2021.

6 Tangible fixed assets

Group	Freehold land & buildings £	Assets under construction £	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
Cost						
At 1 December 2021	2,348,084	-	1,264,222	245,090	57,369	3,914,765
Additions	-	59,610	3,186	34,056	-	96,852
At 30 November 2022	2,348,084	59,610	1,267,408	279,146	57,369	4,011,617
Depreciation and impairment						
At 1 December 2021	863,308	-	1,240,955	220,265	40,133	2,364,661
Depreciation charged in the year	49,303	-	9,425	24,119	10,801	93,648
At 30 November 2022	912,611	-	1,250,380	244,384	50,934	2,458,309
Carrying amount						
At 30 November 2022	1,435,473	59,610	17,028	34,762	6,435	1,553,308
At 30 November 2021	1,484,776	-	23,267	24,825	17,236	1,550,104

SICO EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

6 Tangible fixed assets (Continued)

Company	Freehold land & buildings £	Assets under construction £	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
Cost						
At 1 December 2021	2,348,084	-	1,264,222	236,659	57,369	3,906,334
Additions	-	59,610	1,139	34,056	-	94,805
At 30 November 2022	2,348,084	59,610	1,265,361	270,715	57,369	4,001,139
Depreciation and impairment						
At 1 December 2021	863,308	-	1,240,955	211,834	40,133	2,356,230
Depreciation charged in the year	49,303	-	8,809	24,119	10,801	93,032
At 30 November 2022	912,611	-	1,249,764	235,953	50,934	2,449,262
Carrying amount						
At 30 November 2022	1,435,473	59,610	15,597	34,762	6,435	1,551,877
At 30 November 2021	1,484,776	-	23,267	24,825	17,236	1,550,104

7 Fixed asset investments

	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiary undertakings	-	-	76,644	76,644

8 Subsidiaries

Details of the company's subsidiaries at 30 November 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Merricks SICO Limited	The Link Park, Lympne Industrial Park, Lympne, Kent, CT21 4LR	Dormant	Ordinary	99.00
Sistemas SICO SL	C/Eugenio Salazar 27, Atico 6e, 28002 Madrid, Spain	Sale of equipment	Ordinary	100.00

SICO EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

9 Debtors

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,525,621	1,269,319	1,444,720	1,171,098
Amounts owed by group undertakings	1,355,113	1,479,031	1,419,712	1,568,346
Other debtors	188,921	188,173	182,898	184,880
	<u>3,069,655</u>	<u>2,936,523</u>	<u>3,047,330</u>	<u>2,924,324</u>

Amounts owed by group undertakings are interest free and repayable on demand.

10 Creditors: amounts falling due within one year

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Bank loans and overdrafts	374,121	282,822	374,121	282,822
Trade creditors	2,648,572	1,663,690	2,638,194	1,652,184
Amounts owed to group undertakings	155,338	410,790	156,446	355,564
Corporation tax payable	-	27,201	-	-
Other taxation and social security	86,620	160,065	86,620	160,065
Other creditors	268,807	339,403	199,774	319,285
	<u>3,533,458</u>	<u>2,883,971</u>	<u>3,455,155</u>	<u>2,769,920</u>

Included within other creditors are amounts payable under lease obligations which are secured on the assets to which they relate.

Included within bank loans and overdrafts is £14,277 payable under a term loan which are secured on the freehold building disclosed in note 6.

On 1st September 2020, the company drew down a loan of £1.05m from it's parent company SICO Inc. which accrues interest at 0.5%. On 1st December 2021, the company drew down a loan of £800k from a fellow group company SICO America Inc. which accrues interest at 3.48%.

SICO EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

11 Creditors: amounts falling due after more than one year

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	-	14,277	-	14,277
Amounts owed to group undertakings	1,386,176	1,445,580	1,386,176	1,445,580
Other creditors	15,364	9,535	15,364	9,535
	<u>1,401,540</u>	<u>1,469,392</u>	<u>1,401,540</u>	<u>1,469,392</u>

Included within other creditors are amounts payable under lease obligations which are secured on the assets to which they relate.

Included within bank loans and overdrafts in the previous year are amounts payable under a term loan which are secured on the freehold building disclosed in note 6.

On 1st September 2020, the company drew down a loan of £1.05m from its parent company SICO Inc. which accrues interest at 0.5%. On 1st December 2021, the company drew down a loan of £800k from a fellow group company SICO America Inc. which accrues interest at 3.48%.

12 Share capital

	2022 Number	Group and Company 2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	38,940	38,940	38,940	38,940

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

13 Share premium account

Consideration received for shares issued above their nominal value net of transaction costs.

14 Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

SICO EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

15 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	97,795	109,555	97,795	109,555
Between one and five years	42,971	124,608	42,971	124,608
	<u>140,766</u>	<u>234,163</u>	<u>140,766</u>	<u>234,163</u>

16 Controlling party

The group's ultimate holding company is SICO Incorporated, a company incorporated in the United States of America. Its registered office address is 7525 Cahill Road, Minneapolis, Minnesota, USA.

SICO Incorporated is in turn controlled by H K Wilson, a director of the company, by reason of his 90.6% ownership of the parent's preferred stock. The largest group in which the results of the company and its subsidiaries are consolidated is that headed by SICO Incorporated.