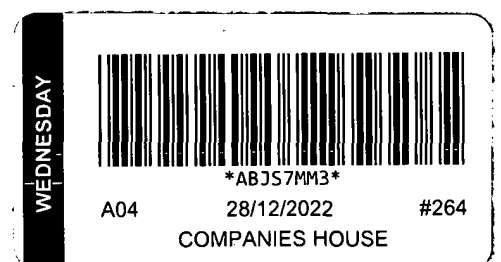


Company Registration No. 03427086 (England and Wales)

**SLACK & PARR LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 MARCH 2022**

**SOMERBYS LIMITED**  
**CHARTERED ACCOUNTANTS**  
**30 NELSON STREET**  
**LEICESTER**  
**LE1 7BA**



# SLACK & PARR LIMITED

## COMPANY INFORMATION

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**Directors**                      Mr E P Barrington  
   Mr S L Barrington  
   Mr T B Barrington  
   Mr R J Wilson  
   Mr P D Wykes

**Secretary**                      Mr R A Howard

**Company number**              03427086

**Registered office**              Long Lane  
   Kegworth  
   Derby  
   DE74 2FL

**Auditor**                          Somerbys Limited  
   30 Nelson Street  
   Leicester  
   LE1 7BA

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# SLACK & PARR LIMITED

## CONTENTS

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	Page
Strategic report	1 - 3
Directors' report	4 - 5
<i>Independent auditor's report</i>	6 - 8
Profit and loss account	9
Statement of comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Notes to the financial statements	13 - 26

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# SLACK & PARR LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 MARCH 2022**

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The directors present the strategic report for the year ended 30 March 2022.

### **Fair review of the business**

The financial year ending 31 March 2022 was the first full year of being in the new factory and the effects from the pandemic were still being felt. The results are still not acceptable but the business is now moving in the correct direction.

Order input was healthy and had returned to pre-2020 levels. The Spandex market continued to be extremely buoyant with multiple large volume orders being won that we are attributing to the vast increase in face mask production due to COVID. We saw our first replacement of non-Slack & Parr equipment being secured with Reliance India, something that we have been working hard towards for many years. 80% of our orders come from China, India, South Korea, USA and Japan. Chinese orders have reduced from previous years to 22% of the annual turnover which is a positive move with the mandate to diversify geographically.

The production operations are slowly becoming more efficient as seen in the average contribution per employee statistics. Over this year we have upgraded and investment in new machines to help increase the flow of the work through the factory. These were specified and ordered with unmanned operation playing an important role. We were also able to take advantage of some local government grants that provided the company with just under £100,000 of cash support.

Lots of detailed analysis was undertaken on the scheduling of orders and operations to understand where the issues lay. The scheduling parameters have been altered to allow a more realistic timing sequence as well as the creation of a new machine work to lists that control what job is proceed by which machine and in what order. More work is needed to partially automate this process, but the next step does require investment in the scheduling software.

Research & Development has for many years played a vital part of our companies understanding and product design. This continues to be the case with the R&D function increasing in new product development and research into improved materials and designs. R&D activities also continue around the rest of the company, from researching new tooling on the production machines and developing new production processes all the way through to developing new software to display the live machine status. This new understanding of what R&D encompasses has led us to maximise the tax credits available under the HM Revenue & Customs R&D incentive scheme.

### **Objectives**

The Company's long term objective is to increase profitability in order to support continued investment in the Company and reduce borrowings.

In pursuing this objective the group intends to maintain sound financial management and avoid excessive risks.

### **Key business strategies**

In pursuit of its objectives the Company has a number of key business strategies which have been successfully implemented over recent years.

We aim to secure increased sales through:

- Increasing product ranges with our existing customer base.
- The development of new customers in our core market.
- The development of new products and new market sectors.

We plan to improve our gross margin levels through development of new product ranges, reducing material purchase costs and improving manufacturing efficiencies.

We aim to have sufficient finance for our activities with access to additional funds to enable opportunities to be secured as they arise.

Strategy is constantly reviewed by the Board in the light of the group's performance and changing market conditions to ensure it remains appropriate to achieve group's objectives.

# SLACK & PARR LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2022

**Principal risks and uncertainties**  
The key performance indicators for the business are cash flow and profitability and hence the most significant risks to the business are those that directly impact on these, which are correlated with general economic activity.

The company follows the following financial risk management policies:

### Price risk

The business may be affected by rising costs of inputs, although purchasing policies and practices seek to mitigate, where practicable, such risks.

The business continues to offset the risk of competitive pressure through continual improvement in its customer-focused activities, providing a good quality service at a market price.

### Interest rate risk

The company is exposed to movements in interest rates and seeks to mitigate such exposure by obtaining facilities on the most beneficial terms available.

### Credit risk

Credit risk arises on assets such as trade debtors. Policies and procedures exist to ensure that the trade debtors have an appropriate credit history before credit is granted.

### Liquidity risk

The company has bank and cash balances of £86,324 (2021: £490,610) at the period end and a further short term borrowing facility which was not fully utilised. The directors are confident that the current funding structure is appropriate to allow the company to achieve its financial targets in the future.

Having considered the above risks and uncertainties, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### Development and performance

The directors are confident that continuing investment will enable company to show satisfactory results in future years.

### Key performance indicators

The Company uses a number of financial measures to monitor progress against strategies and corporate objectives. These are summarised below:

	2022	2021
Turnover	11,689	7,571
EBITDA	(605)	(1,865)
Profit / (loss) before tax	(1,526)	(2,625)

During the period manufacturing output was adversely affected in line with the results posted in the attached profit and loss account, as outlined in the Fair review of the business. EBITDA represents earnings before interest, tax, depreciation and amortisation charges.

In addition to financial measures, the Board also monitors the Company's operations with the objective of ensuring that health and safety is at the core of all working practices. In measuring the success of this, the Board reviews the level of reported incidents and monitors the training being undertaken by all relevant employees.

# SLACK & PARR LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 MARCH 2022**

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### **Future prospects**

The Board is confident that the group's strategy will deliver results that meet our shareholders' expectations in the years to come.

As far as the Board is aware, the expectations for the forthcoming year are for a period of improved trading with a higher level of sales and a modest level of profit anticipated.

On behalf of the board

Edward P Barrington  
Edward P Barrington (Dec 22, 2022 13:34 GMT)

Mr E P Barrington  
**Director**

22 December 2022

# SLACK & PARR LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 30 MARCH 2022**

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

### Principal activities

The principal activity of the company continued to be that of manufacture of gear pumps and general sub-contracting.

### Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### Directors

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

Mr E P Barrington  
Mr S L Barrington  
Mr T B Barrington  
Mr R J Wilson  
Mr P D Wykes

### Auditor

The auditor, Somerbys Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of directors' responsibilities

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# SLACK & PARR LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 MARCH 2022

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### 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, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Edward P Barrington  
Edward P Barrington (Dec 22, 2022 13:34 GMT)

Mr E P Barrington  
Director

22 December 2022



# SLACK & PARR LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SLACK & PARR LIMITED

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### Opinion

We have audited the financial statements of Slack & Parr Limited (the 'company') for the year ended 30 March 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 30 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

The 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 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.

# SLACK & PARR LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SLACK & PARR LIMITED

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### **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 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.

### **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.

### **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.

The risk of not detecting a material misstatement resulting from error is considered to be low. The risk of not detecting a material misstatement resulting from fraud is higher, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

In the context of Slack & Parr Limited, we have not identified any specific laws and regulations other than general commercial laws and regulations, such as: Companies Act 2006; British and EU product safety standards; Health and Safety legislation and employment law.

Our understanding of the legal and regulatory framework applicable to Slack & Parr Limited and how the company has complied with its obligations has been obtained by enquiry of management and those charged with governance.

As part of our enquiries we have discussed policies and procedures on compliance with laws and regulations and whether any instances of non compliance have occurred.

Our understanding of the company's policies and procedures on fraud risk has been obtained through enquiry with management as to the control activities, operational systems in place and whether there is knowledge of any actual, suspected or alleged fraud.

We consider that the audit team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. During our audit work there were no significant instances of non-compliance identified.

# SLACK & PARR LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SLACK & PARR LIMITED

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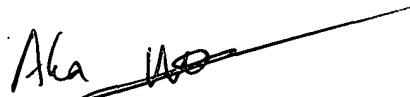
In response to the audit risks identified in respect of irregularity and fraud, we have undertaken the following procedures:

- Enquiry of management, and those charged with governance around actual and potential litigation and claims.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Enquiry of management to identify any subsequent events that have occurred after the year end relating to this financial year.
- Reviewing legal expenses during and after the year end for evidence of non-compliance with laws and regulations.
- 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: <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.



Alexander West FCA (Senior Statutory Auditor)  
For and on behalf of Somerbys Limited

Date: 22/12/2022

Chartered Accountants  
Statutory Auditor

30 Nelson Street  
Leicester  
LE1 7BA

# SLACK & PARR LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 MARCH 2022

		Year ended 30 March 2022 £	Period ended 30 March 2021 £
	Notes		
Turnover	3	11,689,275	7,571,210
Cost of sales		(5,197,153)	(3,488,673)
<b>Gross profit</b>		<b>6,492,122</b>	<b>4,082,537</b>
Administrative expenses		(8,730,204)	(8,241,068)
Other operating income		938,221	1,701,649
<b>Operating loss</b>	<b>4</b>	<b>(1,299,861)</b>	<b>(2,456,882)</b>
Interest receivable and similar income	7	9	420
Interest payable and similar expenses	8	(226,150)	(168,548)
<b>Loss before taxation</b>		<b>(1,526,002)</b>	<b>(2,625,010)</b>
Tax on loss	9	438,357	1,002
<b>Loss for the financial year</b>		<b>(1,087,645)</b>	<b>(2,624,008)</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# SLACK & PARR LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 MARCH 2022

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	Year ended 2022 £	Period ended 2021 £
Loss for the year	(1,087,645)	(2,624,008)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(1,087,645)</u>	<u>(2,624,008)</u>

# SLACK & PARR LIMITED

## BALANCE SHEET

AS AT 30 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	10		7,043,274		7,057,582
<b>Current assets</b>					
Stocks	11	2,935,539		2,809,923	
Debtors	12	3,672,081		2,555,901	
Cash at bank and in hand		86,324		490,610	
		6,693,944		5,856,434	
<b>Creditors: amounts falling due within one year</b>	13	(17,922,276)		(15,544,865)	
<b>Net current liabilities</b>			(11,228,332)		(9,688,431)
<b>Total assets less current liabilities</b>			(4,185,058)		(2,630,849)
<b>Creditors: amounts falling due after more than one year</b>	14		(2,128,147)		(2,594,711)
<b>Net liabilities</b>			(6,313,205)		(5,225,560)
<b>Capital and reserves</b>					
Called up share capital	18	6,000,000		6,000,000	
Profit and loss reserves		(12,313,205)		(11,225,560)	
<b>Total equity</b>			(6,313,205)		(5,225,560)

The financial statements were approved by the board of directors and authorised for issue on 22 December 2022 and are signed on its behalf by:

*Edward P Barrington*  
Edward P Barrington (Dec 22, 2022 13:34 GMT)

Mr E P Barrington  
Director

Company Registration No. 03427086

# SLACK & PARR LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 MARCH 2022

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	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2020	6,000,000	(8,601,552)	(2,601,552)
Period ended 30 March 2021:			
Loss and total comprehensive income for the period	-	(2,624,008)	(2,624,008)
	<hr/>	<hr/>	<hr/>
Balance at 30 March 2021	6,000,000	(11,225,560)	(5,225,560)
Year ended 30 March 2022:			
Loss and total comprehensive income for the year	-	(1,087,645)	(1,087,645)
	<hr/>	<hr/>	<hr/>
Balance at 30 March 2022	<u>6,000,000</u>	<u>(12,313,205)</u>	<u>(6,313,205)</u>

# SLACK & PARR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 MARCH 2022**

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### **1 Accounting policies**

#### **Company information**

Slack & Parr Limited is a private company limited by shares incorporated in England and Wales. The registered office is Long Lane, Kegworth, Derby, DE74 2FL.

#### **1.1 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.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Slack & Parr (Investments) Limited. These consolidated financial statements are available from its registered office, Long Lane, Kegworth, Derby, DE74 2FL.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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 dispatch 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.



# SLACK & PARR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2022

### 1 Accounting policies

(Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

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

Plant and equipment	5-20 years straight line
Computers	5-7 years straight line
Motor vehicles	5 years straight line

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.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

# SLACK & PARR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2022

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### 1 Accounting policies

(Continued)

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company 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 in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **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.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

# SLACK & PARR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 MARCH 2022

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#### 1 Accounting policies

(Continued)

##### **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 company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the 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 company.

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# SLACK & PARR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2022

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### 1 Accounting policies

(Continued)

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.11 Employee benefits

##### *Defined contribution plans*

A defined contribution plan is post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay for further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

##### *Defined benefit plans*

##### **Group plans**

The Company's employees are members of a group wide defined benefit pension plan. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan and the net defined benefit liability are recognised fully by the Company which is legally responsible for the plan, which is Slack and Parr (Investments) Limited. The Company then recognises a cost equal to its contribution payable for the period.

#### 1.12 Retirement benefits

A defined contribution plan is post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay for further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

##### *Defined benefit plans*

##### **Group plans**

The Company's employees are members of a group wide defined benefit pension plan. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan and the net defined benefit liability are recognised fully by the Company which is legally responsible for the plan, which is Slack and Parr (Investments) Limited. The Company then recognises a cost equal to its contribution payable for the period.

# SLACK & PARR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2022

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### 1 Accounting policies

(Continued)

#### 1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### 1.14 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.

#### 1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# SLACK & PARR LIMITED

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

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### ***Critical judgements in applying the entity's accounting policies***

None

#### ***Critical accounting estimates and assumptions:***

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### ***Useful economic lives of tangible assets:***

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual asset values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect the current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See Accounting Policy Note 1.4 for the useful economic lives for each class of assets.

### 3 Turnover and other revenue

	2022	2021
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	1,522,283	1,230,357
Europe	1,194,932	975,627
North America	1,565,353	1,027,173
Rest of the World	7,406,707	4,338,053
	<u>11,689,275</u>	<u>7,571,210</u>
	2022	2021
	£	£
<b>Other significant revenue</b>		
Interest income	9	420
Grants received	-	821,509
	<u></u>	<u></u>

# SLACK & PARR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2022

### 4 Operating loss

	2022 £	2021 £
Operating loss for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(246,060)	236,856
Government grants	-	(821,509)
Fees payable to the company's auditor for the audit of the company's financial statements	34,950	38,370
Depreciation of owned tangible fixed assets	695,207	591,847
(Profit)/loss on disposal of tangible fixed assets	(56,240)	23,842

### 5 Employees

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

	2022 Number	2021 Number
Management	6	6
Sales and administration	12	10
Production	148	154
Total	166	170

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	5,142,149	4,603,497
Social security costs	533,039	391,848
Pension costs	1,258,952	1,141,617
	6,934,140	6,136,962

# SLACK & PARR LIMITED

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

### 6 Directors' remuneration

	2022 £	2021 £
Remuneration (including BIK) for qualifying services	488,902	453,639
Company pension contributions	125,118	116,050
	<u>614,020</u>	<u>569,689</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 3 (2021 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration (including BIK) for qualifying services	108,963	106,715
Company pension contributions	47,469	47,029
	<u>156,432</u>	<u>153,744</u>

### 7 Interest receivable and similar income

	2022 £	2021 £
<b>Interest income</b>		
Interest on bank deposits	9	420
	<u>9</u>	<u>420</u>

### 8 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and loans	18,735	-
Interest on finance leases and hire purchase contracts	207,415	168,548
	<u>226,150</u>	<u>168,548</u>



# SLACK & PARR LIMITED

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

### 9 Taxation

	2022 £	2021 £
<b>Current tax</b>		
Adjustments in respect of prior periods	(438,357)	(1,002)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Loss before taxation	(1,526,002)	(2,625,010)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(289,940)	(498,752)
Tax effect of utilisation of tax losses not previously recognised	-	497,750
Unutilised tax losses carried forward	487,955	-
Research and development tax credit	(438,357)	-
Effect of capital allowances claimed at 130%	(30,857)	-
Movement on accelerated capital allowances	(167,158)	-
Taxation credit for the year	(438,357)	(1,002)

#### Deferred tax asset not recognised

The company has identified a deferred tax asset of £3,095,330 (2021: £2,533,545) relating to unrelieved tax losses, short term timing differences and accelerated capital allowances. It is considered that the timing of sufficient taxable profits in the future, against which the underlying timing differences can be deducted cannot be foreseen with reasonable certainty. Therefore, the deferred tax asset has not been recognised. An appropriate asset will be recognised when the company can demonstrate a reasonable expectation of sufficient profits to utilise the timing differences in the foreseeable future.

#### Factors that may affect future current and total tax charges

The UK corporation tax rate remained at 19% for the period ended 30 March 2022. This rate of corporation tax rate remains in force until 31 March 2023.

The deferred tax assets and liabilities at 30 March 2022 have been calculated based at the rates substantively enacted at the balance sheet date, being 25%.

# SLACK & PARR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2022

### 10 Tangible fixed assets

	Plant and equipment £	Computers £	Motor vehicles £	Total £
<b>Cost</b>				
At 31 March 2021	17,472,919	586,652	294,516	18,354,087
Additions	546,858	37,431	144,420	728,709
Disposals	(87,692)	-	(118,054)	(205,746)
At 30 March 2022	17,932,085	624,083	320,882	18,877,050
<b>Depreciation and impairment</b>				
At 31 March 2021	10,581,735	529,973	184,797	11,296,505
Depreciation charged in the year	621,773	20,343	53,091	695,207
Eliminated in respect of disposals	(42,024)	-	(115,912)	(157,936)
At 30 March 2022	11,161,484	550,316	121,976	11,833,776
<b>Carrying amount</b>				
At 30 March 2022	6,770,601	73,767	198,906	7,043,274
At 30 March 2021	6,891,184	56,679	109,719	7,057,582

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Plant and equipment	4,923,987	4,494,333

### 11 Stocks

	2022 £	2021 £
Raw materials and consumables	745,854	549,765
Work in progress	1,364,921	1,195,732
Finished goods and goods for resale	824,764	1,064,426
	2,935,539	2,809,923

# SLACK & PARR LIMITED

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

### 12 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	2,775,463	1,865,992
Amounts owed by group undertakings	-	94,838
Other debtors	817,982	488,780
Prepayments and accrued income	78,636	106,291
	<u>3,672,081</u>	<u>2,555,901</u>

### 13 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	15	603,844	814,486
Obligations under finance leases	16	959,244	1,006,698
Payments received on account		1,103,061	749,552
Trade creditors		1,609,424	1,261,864
Amounts owed to group undertakings		12,233,982	10,528,087
Taxation and social security		184,421	177,356
Other creditors		920,670	876,174
Accruals and deferred income		307,630	130,648
		<u>17,922,276</u>	<u>15,544,865</u>

### 14 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Obligations under finance leases	16	<u>2,128,147</u>	<u>2,594,711</u>

### 15 Loans and overdrafts

	2022 £	2021 £
Bank overdrafts	<u>603,844</u>	<u>814,486</u>
Payable within one year	<u>603,844</u>	<u>814,486</u>

The long-term loans are secured by a composite guarantee between the company, Slack & Parr (Investments) Limited and its fellow subsidiary undertakings.

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Finance leases are secured upon the asset which they relate to.

# SLACK & PARR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2022

### 16 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	959,244	1,006,698
In two to five years	2,128,147	2,594,711
	<u>3,087,391</u>	<u>3,601,409</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 17 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>1,258,952</u>	<u>1,141,617</u>

#### Defined benefit plans

The Company's employees are members of a group wide defined benefit pension plan. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan and the net defined benefit liability are recognised fully by the Company which is legally responsible for the plan, which is Slack and Parr (Investments) Limited.

The company then recognises a cost equal to its contribution payable for the period, which was £1,133,834 in the current financial year (2021: £1,025,567).

The deficit of £7,354,000 (2021: £11,949,000) has been provided in the financial statements of Slack & Parr (Investments) Limited which can be obtained from the Registrar of Companies.

No contributions were outstanding (2021: £nil) to the scheme at the year end.

#### Defined contribution plans

The company operates a number of defined contribution pension plans.

### 18 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>

### 19 Financial commitments, guarantees and contingent liabilities

Under the terms of the Slack & Parr (Investments) Limited group banking facility with Royal Bank of Scotland, the Company was a party to a bank guarantee with other Group companies. As at 30 March 2022 the maximum contingent liability under Group banking arrangements was £nil (2021: £nil).

# **SLACK & PARR LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 30 MARCH 2022***

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### **20 Related party transactions**

The Company has taken advantage of the exemption contained in section 33.1A of FRS 102 which applies to subsidiaries undertakings and has not disclosed details of transactions with group companies which are included in the consolidated financial statements of Slack & Parr (Investments) Limited.

### **21 Ultimate controlling party**

The Company is a subsidiary undertaking of Slack & Parr (Investments) Limited, the ultimate controlling party.

The largest and smallest group in which the results of the Company are consolidated is that headed by Slack & Parr (Investments) Limited. The consolidated financial statements of this group are available to the public and may be obtained from its registered office, Slack & Parr (Investments) Limited, Long Lane, Kegworth, Derby, DE74 2FL.