

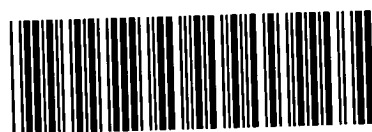
E T Enterprises Limited

Registered number: 06081468

Directors' report and financial statements

For the year ended 31 December 2021

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E T ENTERPRISES LIMITED

COMPANY INFORMATION

Directors	L Ludlum A Cornack
Company secretary	G Chambers
Registered number	06081468
Registered office	45 Riverside Way Cowley Uxbridge Middlesex UB8 2YF
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditor First Floor Two Chamberlain Square Birmingham B3 3AX

E T ENTERPRISES LIMITED

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 3
Independent Auditor's Report	4 - 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 - 26

ET ENTERPRISES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2021.

Business review

The principal activities of ET Enterprises Limited (ETEL) are the design, development, manufacture, sales, and marketing of photomultipliers and related electronics, housings, and sockets.

ETEL markets under the 'Electron Tubes' trade name and provides quality products designed to meet customers' unique specifications. ETEL also markets photomultipliers outside the USA, manufactured by its parent company under the 'ADIT' trade name. ETEL's sales in the USA are made to the parent company trading as ADIT/Electron Tubes, they market the Electron Tubes products in the USA.

ETEL also manufactures, markets, and sells glass under the trading name Plowden and Thompson. Plowden and Thompson melts a range of clear and coloured glasses and sells bespoke pressed and blown glassware and tubing and the Plowden and Thompson low background glasses are used in the manufacture of ETEL's photomultipliers.

ETEL Sales in 2021 were £7.1m, up by 9.3% from 2020. Europe remains the major market for ETEL's sales. The operating profit before interest and tax was £314k in 2021.

Business risks and uncertainties have been reviewed. The business has remained open and trading throughout the COVID-19 epidemic and will continue to do so unless directed by legislation. With the majority of sales in euros the exchange rates with respect to Sterling provides a degree of uncertainty each financial year. In 2021 the Sterling has gradually traded more strongly against the Euro and the Trade and Cooperation Agreement with the European Union has provided certainty with the largest market. The ability to mirror production of the Electron Tubes product range at the parent company's site in the USA offers continuity of supply in the event of unplanned disruption in the UK. Manufacturing both in the USA and the UK is seen to give added strength to the combined activities of ETEL and its parent company. In 2022 the parent company will continue sales of Electron Tubes photomultipliers manufactured and tested in the USA.

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



A Cormack
Director

Date: 11 Aug 2022

E T ENTERPRISES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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 for the Company's financial statements 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £225,748 (2020 - £171,812).

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

L Ludlum
A Cormack

Future developments

ET Enterprises Limited profit was £308k in 2021 and the forecast performance for 2022 is expected to be improved compared to 2021 based on a continuing recovery from the COVID-19 pandemic. Our development expenditure in 2021 remains appropriate to our business at 6% of sales. Major developments are focussed on targeted opportunities in the marketplace along with increased automation in production.

E T ENTERPRISES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



A Cormack
Director

Date: 11 Aug 2022

E T ENTERPRISES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF E T ENTERPRISES LIMITED

Opinion

We have audited the financial statements of E T Enterprises Limited (the 'Company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows 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 Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

E T ENTERPRISES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF E T ENTERPRISES LIMITED

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 the audit:

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement 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 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 intend either to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

E T ENTERPRISES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF E T ENTERPRISES LIMITED

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 our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: UK tax legislation, employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.


E T ENTERPRISES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF E T ENTERPRISES LIMITED

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit 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.


David Hoose (Aug 11, 2022 16:47 GMT+1)

David Hoose (Senior statutory auditor)
for and on behalf of
Mazars LLP
Chartered Accountants and Statutory Auditor
First Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 11 August 2022

E T ENTERPRISES LIMITED
REGISTERED NUMBER: 06081468

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	2,745,047	2,834,989
		<u>2,745,047</u>	<u>2,834,989</u>
Current assets			
Stocks	14	2,826,954	3,078,528
Debtors: amounts falling due within one year	15	655,879	492,774
Cash at bank and in hand	16	1,387,729	1,546,292
		<u>4,870,562</u>	<u>5,117,594</u>
Creditors: amounts falling due within one year	17	(681,110)	(1,325,769)
Net current assets		<u>4,189,452</u>	<u>3,791,825</u>
Total assets less current liabilities		<u>6,934,499</u>	<u>6,626,814</u>
Creditors: amounts falling due after more than one year	18	(1,863,084)	(1,796,079)
Provisions for liabilities			
Deferred tax	21	(114,112)	(99,180)
		<u>(114,112)</u>	<u>(99,180)</u>
Net assets		<u>4,957,303</u>	<u>4,731,555</u>
Capital and reserves			
Called up share capital	22	10,000	10,000
Profit and loss account		4,947,303	4,721,555
		<u>4,957,303</u>	<u>4,731,555</u>

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


A Cormack
 Director

Date: 11 Aug 2022

E T ENTERPRISES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	7,086,726	6,482,793
Cost of sales		(4,684,625)	(4,401,971)
Gross profit		2,402,101	2,080,822
Distribution costs		(279,919)	(373,993)
Administrative expenses		(1,900,367)	(1,522,738)
Other operating income	5	90,453	143,303
Operating profit	6	312,268	327,394
Interest receivable and similar income	10	1,256	655
Interest payable and similar expenses	11	(109,340)	(108,237)
Profit before tax		204,184	219,812
Tax on profit	12	21,564	(48,000)
Profit for the financial year		225,748	171,812

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 12 to 26 form part of these financial statements.

E T ENTERPRISES LIMITED

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	10,000	4,549,743	4,559,743
Comprehensive income for the year			
Profit for the year	-	171,812	171,812
Total comprehensive income for the year	-	171,812	171,812
At 1 January 2021	10,000	4,721,555	4,731,555
Comprehensive income for the year			
Profit for the year	-	225,748	225,748
Total comprehensive income for the year	-	225,748	225,748
At 31 December 2021	10,000	4,947,303	4,957,303

The notes on pages 12 to 26 form part of these financial statements.

E T ENTERPRISES LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	225,748	171,812
Adjustments for:		
Depreciation of tangible assets	126,056	112,205
Interest paid	109,340	108,237
Interest received	(1,256)	(655)
Taxation charge	(21,564)	48,000
Decrease/(increase) in stocks	251,574	(94,693)
(Increase)/decrease in debtors	(216,873)	107,942
Increase/(decrease) in creditors	93,038	(38,391)
Increase in amounts owed to groups	137,578	93,860
Net cash generated from operating activities	703,641	508,317
Cash flows from investing activities		
Purchase of tangible fixed assets	(36,114)	(7,850)
Interest received	1,256	655
Net cash from investing activities	(34,858)	(7,195)
Cash flows from financing activities		
Repayment of loans	(718,006)	(102,940)
Interest paid	(109,340)	(108,237)
Net cash used in financing activities	(827,346)	(211,177)
Net (decrease)/increase in cash and cash equivalents	(158,563)	289,945
Cash and cash equivalents at beginning of year	1,546,292	1,256,347
Cash and cash equivalents at the end of year	1,387,729	1,546,292
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,387,729	1,546,292
	<u>1,387,729</u>	<u>1,546,292</u>

The notes on pages 12 to 26 form part of these financial statements.

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

E T Enterprises Limited is a private company limited by shares, incorporated in England and Wales and domiciled in England, registered number 06081468. The company's registered address can be found on the Company Information page.

The financial statements are presented in Sterling, which is considered to be the functional currency of the company, and are rounded to the nearest £1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors have formed a judgement at the time of approving the financial statements that the Company has adequate resources available to continue operating for at least 12 months and conclude that there is no material uncertainties relating to events or conditions that may cast doubt over the ability of the company to continue as a going concern.

Post year end developments and circumstances around current recovery phase from the COVID-19 pandemic have been assessed by the directors. The strength of the company's order book and working capital position indicates that the company is now progressing from the constraint of trading through COVID-19, but continues to monitor the situation. The directors believe there to be no material adverse impact on turnover. For this reason the going concern basis has been adopted in preparing the financial statements.

E T ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.6 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Pensions**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2.5% on cost
Plant & machinery	- 10-20% on cost
Motor vehicles	- 33.33% on cost
Fixtures & fittings	- 10-20% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.10 Stocks

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

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

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

E T ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

The preparation of the financial statements in conformity with generally accepted accounting principles requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Directors believe that the critical accounting policies where judgements or estimations are necessarily applied are summarised below:

Depreciation and residual values

The directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

Stock provisioning

The Company measures inventories at the lower of cost and estimated selling price. Management is aware of the requirement to provide for obsolete and slow moving stock and utilise aged stock reports and budgeted future sales to identify any obsolete and slow moving stock that should be provided against.

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Turnover

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	1,414,400	1,230,853
Export other than USA	4,259,830	3,690,330
USA	1,412,496	1,561,610
	<u>7,086,726</u>	<u>6,482,793</u>

5. Other operating income

	2021 £	2020 £
Coronavirus job retention grant	90,453	143,303
	<u>90,453</u>	<u>143,303</u>

6. Operating profit

The operating profit is stated after charging/(crediting):

	2021 £	2020 £
Research & development charged as an expense	373,261	435,986
Exchange differences	114,489	(108,494)
Other operating lease rentals	1,452	5,341
Depreciation	126,056	112,205
Audit fees	16,250	15,750
Fees payable to the Company's Auditors for assurance services	6,100	5,900
Fees payable to the Company's Auditors for other services	5,340	5,175
Pension costs	<u>153,566</u>	<u>169,105</u>

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	2,848,961	3,216,304
Social security costs	242,016	262,136
Cost of defined contribution scheme	153,566	169,105
	<u>3,244,543</u>	<u>3,647,545</u>

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

	2021 No.	2020 No.
Administration	8	9
Production	65	74
Marketing and Selling	7	8
	<u>80</u>	<u>91</u>

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	125,382	124,305
Directors' pension costs	23,714	23,563
	<u>149,096</u>	<u>147,868</u>

9. Key management personnel

	2021 £	2020 £
Wages & Salaries	384,978	363,049
Social security costs	48,251	45,270
Cost of defined contribution scheme	38,513	37,231
	<u>471,742</u>	<u>445,550</u>

The persons included are in administration and sales.

10. Interest receivable

	2021 £	2020 £
Other interest receivable	1,256	655
	<u>1,256</u>	<u>655</u>

11. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	42,335	43,666
Loans from group undertakings	67,005	64,571
	<u>109,340</u>	<u>108,237</u>

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	(36,496)	-
Adjustments in respect of previous periods	-	(7,836)
	<u>(36,496)</u>	<u>(7,836)</u>
Total current tax	<u>(36,496)</u>	<u>(7,836)</u>
Deferred tax		
Origination and reversal of timing differences	2,071	55,836
Adjustments in respect of prior periods	(14,029)	-
Effect of tax rate change on opening balance	26,890	-
Total deferred tax	<u>14,932</u>	<u>55,836</u>
Taxation on (loss)/profit on ordinary activities	<u>(21,564)</u>	<u>48,000</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>204,184</u>	<u>219,812</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	38,795	41,764
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	12,742	14,330
Fixed asset differences	13,249	12,743
Additional deduction for R&D expenditure	(63,211)	-
Adjustments to tax charge in respect of prior periods	(36,496)	(7,836)
Adjustments to tax charge in respect of prior periods - deferred tax	(14,029)	-
Remeasurement of deferred tax for changes in tax rates	27,386	(13,001)
Total tax charge for the year	<u>(21,564)</u>	<u>48,000</u>

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Tangible fixed assets

	Land £	Buildings £	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
Cost						
At 1 January 2021	800,000	2,315,804	1,671,497	728,475	20,150	5,535,926
Additions	-	968	14,778	20,368	-	36,114
Disposals	-	-	-	(19,205)	-	(19,205)
At 31 December 2021	800,000	2,316,772	1,686,275	729,638	20,150	5,552,835
Depreciation						
At 1 January 2021	-	559,883	1,507,921	612,983	20,150	2,700,937
Charge for the year on owned assets	-	66,722	46,976	12,358	-	126,056
Disposals	-	-	-	(19,205)	-	(19,205)
At 31 December 2021	-	626,605	1,554,897	606,136	20,150	2,807,788
Net book value						
At 31 December 2021	800,000	1,690,167	131,378	123,502	-	2,745,047
At 31 December 2020	800,000	1,755,921	163,576	115,492	-	2,834,989

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

	2021 £	2020 £
Land and buildings	5,904	9,371
	5,904	9,371

14. Stocks

	2021 £	2020 £
Raw materials and consumables	854,945	692,096
Work in progress (goods to be sold)	950,811	1,025,972
Finished goods and goods for resale	1,021,198	1,360,460
	2,826,954	3,078,528

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Debtors

	2021 £	2020 £
Trade debtors	500,529	295,756
Amounts owed by group undertakings	-	53,768
Other debtors	44,652	56,372
Prepayments and accrued income	110,698	86,878
	<u>655,879</u>	<u>492,774</u>

16. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	1,387,729	1,546,292
	<u>1,387,729</u>	<u>1,546,292</u>

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	-	718,006
Trade creditors	289,318	291,227
Amounts owed to group undertakings	16,805	-
Corporation tax	-	36,496
Other taxation and social security	72,128	67,924
Accruals and deferred income	302,859	212,116
	<u>681,110</u>	<u>1,325,769</u>

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

	2021 £	2020 £
Amounts owed to group undertakings	1,863,084	1,796,079
	<u>1,863,084</u>	<u>1,796,079</u>

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

19. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	-	718,006
	<u>-</u>	<u>718,006</u>
	<u>-</u>	<u>718,006</u>

20. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through the Statement of Comprehensive Income	<u>1,932,910</u>	<u>1,546,292</u>
Financial liabilities		
Derivative financial instruments measured at fair value through the Statement of Comprehensive Income held as part of a trading portfolio	<u>(592,177)</u>	<u>(1,796,079)</u>

Financial assets measured at fair value through the Statement of Comprehensive Income comprise of trade debtors, other debtors and cash at bank and in hand.

Financial liabilities measured at fair value through the Statement of Comprehensive Income comprise trade creditors, accruals and bank loans.

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. Deferred taxation

	2021 £
At beginning of year	(99,180)
Charged to the Statement of Comprehensive Income	(14,932)
At end of year	(114,112)

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(157,056)	(132,020)
Tax losses carried forward	40,256	37,740
Short term timing differences	2,688	(4,900)
	(114,112)	(99,180)

22. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
10,000 (2020 - 10,000) Ordinary shares shares of £1.00 each	10,000	10,000

23. Pension commitments

The company operates a defined contribution pension scheme for all employees within the Company.

The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions payable by the Company during the year amounted to £153,566 (2020: £169,105) and have been recognised in the Statement of Comprehensive Income. As at the balance sheet date, contributions amounting to £19,065 (2020: £17,877) had not been paid over to the fund and are included within creditors.

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

24. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Within 1 year	2,000	474
Later than 1 year and not later than 5 years	4,000	-
	<u>6,000</u>	<u>474</u>

25. Related party transactions

Advantage has been taken of the exemption contained in Financial Reporting Standard 102 (section 33.1A) from the requirement to disclose transactions with the parent company and other subsidiaries of the same group on the grounds that E T Enterprises Limited is a wholly owned subsidiary.

26. Post balance sheet events

There are no adjusting or non-adjusting events following the year end.

27. Controlling party

At 31 December 2021 the company's ultimate and immediate parent company was Ludlum Measurements Inc, a company incorporated in the United States of America.