

Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31st December 2021
for
Kwiktuf Holdings Limited

Contents of the Consolidated Financial Statements
for the year ended 31st December 2021

| | Page |
|---|-------------|
| Company Information | 1 |
| Group Strategic Report | 2 |
| Report of the Directors | 4 |
| Report of the Independent Auditors | 6 |
| Consolidated Income Statement | 10 |
| Consolidated Other Comprehensive Income | 11 |
| Consolidated Balance Sheet | 12 |
| Company Balance Sheet | 13 |
| Consolidated Statement of Changes in Equity | 14 |
| Company Statement of Changes in Equity | 15 |
| Consolidated Cash Flow Statement | 16 |
| Notes to the Consolidated Cash Flow Statement | 17 |
| Notes to the Consolidated Financial Statements | 19 |

Kwiktuf Holdings Limited
Company Information
for the year ended 31st December 2021

DIRECTORS:

J P Bradley
N C Thomas
P Myers
D Pinkney
Mrs M Saville
A G Thomas

SECRETARY:

J P Bradley

REGISTERED OFFICE:

264 Wincolmlee
Hull
East Yorkshire
HU2 0PZ

REGISTERED NUMBER:

10111570 (England and Wales)

AUDITORS:

cbaSadofskys
Statutory Auditors
Princes House
Wright Street
Hull
East Yorkshire
HU2 8HX

BANKERS:

Yorkshire Bank
214 Holderness Road
Hull
HU9 2AA

Group Strategic Report
for the year ended 31st December 2021

The directors present their strategic report of the company and the group for the year ended 31st December 2021.

REVIEW OF BUSINESS

The key financial performance indicators of turnover, gross profit and net profit before taxation communicate the financial performance of the company as a whole.

The key financial performance indicators for the current and prior year, for the group, are as follows:

| | 2021 | 2020 | 2019 |
|-----------------------------|-------------------|-----------|-----------|
| | £ | £ | £ |
| Turnover | 10,884,413 | 8,709,930 | 8,880,108 |
| Turnover growth | 25% | (1%) | 4% |
| Gross Profit Margin | 28.4% | 25.2% | 29.1% |
| Net Profit, before Taxation | 876,104 | 441,130 | 419,273 |
| Net Profit Margin | 8.05% | 5.06% | 4.72% |

Business activity was better than expected given the unpredictable nature of the market and customer confidence post Covid and lock down. The directors are very pleased with the increased turnover and margin recovery against a backdrop of material shortages and post Covid staffing issues. Despite this, the directors believe that numerous opportunities presented during the year were either lost entirely or difficult to convert as a consequence.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to raise funds and finance the company's operations.

Price and availability risk

Restrictions on glass supply over and above those suffered in 2020 are still prolific. Whilst demand is still high, further restrictions have been imposed by two out of the three float tanks within the UK due to previously scheduled equipment upgrades and facility closures coming in to effect. The subsequent imbalance of supply and demand has resulted in relentless shortages and manufacturer price increases. In turn, the directors are mindful of the current lack of trust within the supply chain and the impact this may have on future business retention and pricing strategies.

These upgrades commenced April '21 and are expected to take four to six months.

Foreign exchange risk

Whilst not directly affected by foreign exchange, the buoyancy of the European market has resulted in a reduced desire for the European arms of the UK facilities to support UK production.

Credit risk

Credit checks are carried out on all customers and a comprehensive insurance policy is also in place.

Liquidity risk

The company's liquidity risk is managed by ensuring sufficient funds are available to meet amounts due and does not consider that liquidity poses a significant risk.

Interest rate and cash flow risk

The company had a favourable cash balance during the year and therefore does not consider that interest rates or cash flow pose a significant risk.

Group Strategic Report
for the year ended 31st December 2021

FUTURE DEVELOPMENTS

As we enter 2022, customer confidence and general business activity remains good but there is some concern over rising glass prices and evidence to suggest an imminent rise in general living costs.

Whilst material shortages are now less of an issue, rising prices may be the limiting factor for increasing sales opportunities beyond 2021 levels. The directors have therefore projected similar activity levels for 2022.

ON BEHALF OF THE BOARD:

J P Bradley - Director

21st September 2022

Report of the Directors
for the year ended 31st December 2021

The directors present their report with the financial statements of the company and group for the year ended 31st December 2017.

During the previous period the company financial statements was for a short period as the parent company was incorporated on the 6th April 2016.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of glass processing specialists.

DIVIDENDS

Interim dividends per share were paid during the year as follows:

| | | |
|---------------|----------|----------------------|
| Ordinary £1 | - £1 | - 31st December 2021 |
| Ordinary A £1 | - £1,950 | - 31st December 2021 |

The total distribution of dividends for the year ended 31st December 2021 will be £ 213,122 .

FUTURE DEVELOPMENTS

See strategic report.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2021 to the date of this report.

J P Bradley
N C Thomas
P Myers
D Pinkney
Mrs M Saville
A G Thomas

FINANCIAL INSTRUMENTS

The group's principal financial instruments comprise of bank balances, trade debtors, trade creditors and invoice discounting. The main purpose of these instruments is to raise funds and finance the group's operations.

Revenue maintenance

The group actively markets and manages its portfolio of products to focus on revenue building and maintenance which, over the life cycle of the products can contribute to the future profits of the business.

Risks and uncertainties

These details have been provided in the group's strategic report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

Report of the Directors
for the year ended 31st December 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, cbaSadofskys, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

J P Bradley - Director

21st September 2022

Report of the Independent Auditors to the Members of
Kwiktuf Holdings Limited

Opinion

We have audited the financial statements of Kwiktuf Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31st December 2021 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Kwiktuf Holdings Limited

Matters on which we are required to report by exception

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Report of the Independent Auditors to the Members of
Kwiktuf Holdings Limited

Auditors' 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 a Report of the Auditors 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the manufacturing industry.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, UK tax legislation, and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Report of the Auditors.

Report of the Independent Auditors to the Members of
Kwiktuf Holdings Limited

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 a Report of the Auditors 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.

Alan Brocklehurst (Senior Statutory Auditor)
for and on behalf of cbaSadofskys
Statutory Auditors
Princes House
Wright Street
Hull
East Yorkshire
HU2 8HX

21st September 2022

Consolidated
Income Statement
for the year ended 31st December 2021

| | Notes | 2021 £ | 2020 £ |
|---------------------------------------|-------|-------------------|------------------|
| TURNOVER | | 10,884,413 | 8,709,930 |
| Cost of sales | | <u>7,790,839</u> | <u>6,513,654</u> |
| GROSS PROFIT | | 3,093,574 | 2,196,276 |
| Administrative expenses | | <u>2,210,193</u> | <u>2,053,694</u> |
| | | 883,381 | 142,582 |
| Other operating income | | <u>67,746</u> | <u>395,436</u> |
| OPERATING PROFIT | 4 | 951,127 | 538,018 |
| Interest payable and similar expenses | 5 | <u>75,023</u> | <u>96,888</u> |
| PROFIT BEFORE TAXATION | | 876,104 | 441,130 |
| Tax on profit | 6 | <u>184,687</u> | <u>143,428</u> |
| PROFIT FOR THE FINANCIAL YEAR | | 691,417 | 297,702 |
| Profit attributable to: | | | |
| Owners of the parent | | <u>691,417</u> | <u>297,702</u> |

The notes form part of these financial statements

Kwiktuf Holdings Limited (Registered number: 10111570)

**Consolidated
Other Comprehensive Income
for the year ended 31st December 2021**

| | Notes | 2021 £ | 2020 £ |
|---|-------|-----------------------|-----------------------|
| PROFIT FOR THE YEAR | | 691,417 | 297,702 |
| OTHER COMPREHENSIVE INCOME | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>691,417</u> | <u>297,702</u> |
| Total comprehensive income attributable to: Owners of the parent | | <u>691,417</u> | <u>297,702</u> |

The notes form part of these financial statements

Kwiktuf Holdings Limited (Registered number: 10111570)**Consolidated Balance Sheet**
31st December 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|--|-------|------------------|------------------|------------------|------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 9 | | 1,471,705 | | 1,798,750 |
| Tangible assets | 10 | | 1,975,271 | | 1,905,117 |
| Investments | 11 | | - | | - |
| | | | <u>3,446,976</u> | | <u>3,703,867</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 12 | 392,217 | | 374,644 | |
| Debtors | 13 | 1,636,713 | | 1,636,923 | |
| Cash at bank and in hand | | <u>19,005</u> | | <u>18,285</u> | |
| | | 2,047,935 | | 2,029,852 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 14 | <u>2,147,770</u> | | <u>2,625,999</u> | |
| NET CURRENT LIABILITIES | | | <u>(99,835)</u> | | <u>(596,147)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 3,347,141 | | 3,107,720 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 15 | | (2,121,359) | | (2,338,611) |
| PROVISIONS FOR LIABILITIES | 19 | | (145,215) | | (136,837) |
| ACCRUALS AND DEFERRED INCOME | 20 | | <u>(60,000)</u> | | <u>(90,000)</u> |
| NET ASSETS | | | <u>1,020,567</u> | | <u>542,272</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 21 | | 100,080 | | 100,080 |
| Retained earnings | | | <u>920,487</u> | | <u>442,192</u> |
| SHAREHOLDERS' FUNDS | | | <u>1,020,567</u> | | <u>542,272</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 21st September 2022 and were signed on its behalf by:

J P Bradley - Director

The notes form part of these financial statements

Kwiktuf Holdings Limited (Registered number: 10111570)

Company Balance Sheet
31st December 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|--|-------|------------------|-------------------------|------------------|-------------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 9 | | - | | - |
| Tangible assets | 10 | | - | | - |
| Investments | 11 | | <u>5,320,610</u> | | <u>5,320,610</u> |
| | | | <u>5,320,610</u> | | <u>5,320,610</u> |
| CURRENT ASSETS | | | | | |
| Cash at bank | | | <u>1,214</u> | | <u>6,128</u> |
| CREDITORS | | | | | |
| Amounts falling due within one year | 14 | <u>1,882,495</u> | | <u>2,184,495</u> | |
| NET CURRENT LIABILITIES | | | <u>(1,881,281)</u> | | <u>(2,178,367)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>3,439,329</u> | | <u>3,142,243</u> |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 15 | | <u>1,363,215</u> | | <u>1,706,084</u> |
| NET ASSETS | | | <u><u>2,076,114</u></u> | | <u><u>1,436,159</u></u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 21 | | <u>100,080</u> | | <u>100,080</u> |
| Retained earnings | | | <u>1,976,034</u> | | <u>1,336,079</u> |
| SHAREHOLDERS' FUNDS | | | <u><u>2,076,114</u></u> | | <u><u>1,436,159</u></u> |
| Company's profit for the financial year | | | <u><u>853,077</u></u> | | <u><u>528,459</u></u> |

The financial statements were approved by the Board of Directors and authorised for issue on 21st September 2022 and were signed on its behalf by:

J P Bradley - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the year ended 31st December 2021

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|--------------------------------------|--|------------------------------------|-------------------------------|
| Balance at 1st January 2020 | 100,080 | 354,718 | 454,798 |
| Changes in equity | | | |
| Dividends | - | (210,228) | (210,228) |
| Total comprehensive income | - | 297,702 | 297,702 |
| Balance at 31st December 2020 | <u>100,080</u> | <u>442,192</u> | <u>542,272</u> |
| Changes in equity | | | |
| Dividends | - | (213,122) | (213,122) |
| Total comprehensive income | - | 691,417 | 691,417 |
| Balance at 31st December 2021 | <u>100,080</u> | <u>920,487</u> | <u>1,020,567</u> |

Company Statement of Changes in Equity
for the year ended 31st December 2021

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|--------------------------------------|--|------------------------------------|-------------------------------|
| Balance at 1st January 2020 | 100,080 | 1,017,848 | 1,117,928 |
| Changes in equity | | | |
| Dividends | - | (210,228) | (210,228) |
| Total comprehensive income | - | 528,459 | 528,459 |
| Balance at 31st December 2020 | <u>100,080</u> | <u>1,336,079</u> | <u>1,436,159</u> |
| Changes in equity | | | |
| Dividends | - | (213,122) | (213,122) |
| Total comprehensive income | - | 853,077 | 853,077 |
| Balance at 31st December 2021 | <u>100,080</u> | <u>1,976,034</u> | <u>2,076,114</u> |

Consolidated Cash Flow Statement
for the year ended 31st December 2021

| | Notes | 2021 £ | 2020 £ |
|---|-------|--------------------|------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | 923,933 | 84,750 |
| Interest paid | | (67,555) | (89,099) |
| Interest element of hire purchase payments paid | | (7,468) | (7,789) |
| Tax paid | | (151,663) | (150,603) |
| Government grants | | 67,746 | 395,436 |
| Net cash from operating activities | | <u>764,993</u> | <u>232,695</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (363,887) | (148,369) |
| Sale of tangible fixed assets | | 51,906 | 200 |
| Net cash from investing activities | | <u>(311,981)</u> | <u>(148,169)</u> |
| Cash flows from financing activities | | | |
| New loans in year | | 677,270 | 500,000 |
| Loan repayments in year | | (1,844,351) | (409,525) |
| New hire purchase agreements in year | | 98,340 | 109,300 |
| Hire purchase repayments in year | | (70,429) | (73,586) |
| Equity dividends paid | | (213,122) | (210,228) |
| Net cash from financing activities | | <u>(1,352,292)</u> | <u>(84,039)</u> |
| (Decrease)/increase in cash and cash equivalents | | <u>(899,280)</u> | <u>487</u> |
| Cash and cash equivalents at beginning of year | 2 | 18,285 | 17,798 |
| Cash and cash equivalents at end of year | 2 | <u>19,005</u> | <u>18,285</u> |

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement
for the year ended 31st December 2021**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

| | 2021 | 2020 |
|--|-----------------------|----------------------|
| | £ | £ |
| Profit before taxation | 876,104 | 441,130 |
| Depreciation charges | 569,532 | 588,647 |
| Profit on disposal of fixed assets | (30,659) | (200) |
| Government grants | (67,746) | (395,436) |
| Finance costs | 75,023 | 96,888 |
| | <u>1,422,254</u> | <u>731,029</u> |
| Increase in stocks | (17,573) | (65,111) |
| Decrease/(increase) in trade and other debtors | 210 | (89,710) |
| Decrease in trade and other creditors | (480,958) | (491,458) |
| Cash generated from operations | <u>923,933</u> | <u>84,750</u> |

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st December 2021

| | 31/12/21 | 1/1/21 |
|---------------------------|---------------|---------------|
| | £ | £ |
| Cash and cash equivalents | <u>19,005</u> | <u>18,285</u> |

Year ended 31st December 2020

| | 31/12/20 | 1/1/20 |
|---------------------------|---------------|---------------|
| | £ | £ |
| Cash and cash equivalents | <u>18,285</u> | <u>17,798</u> |

3. ANALYSIS OF CHANGES IN NET DEBT

| | At 1/1/21 | Cash flow | At 31/12/21 |
|---------------------------------|---------------------------|-----------------------|-------------------------|
| | £ | £ | £ |
| Net cash | | | |
| Cash at bank and in hand | <u>18,285</u> | <u>720</u> | <u>19,005</u> |
| | <u>18,285</u> | <u>720</u> | <u>19,005</u> |
| Debt | | | |
| Finance leases | (202,955) | (27,911) | (230,866) |
| Debts falling due within 1 year | (973,107) | 914,796 | (58,311) |
| Debts falling due after 1 year | (500,000) | (90,583) | (590,583) |
| | <u>(1,676,062)</u> | <u>796,302</u> | <u>(879,760)</u> |
| Total | <u>(1,657,777)</u> | <u>797,022</u> | <u>(860,755)</u> |

Kwiktuf Holdings Limited (Registered number: 10111570)

Error Messages from the Consolidated Cash Flow Statement
for the year ended 31st December 2021

**CURRENT YEAR - MOVEMENT IN CASH AND CASH EQUIVALENTS
AS CALCULATED IN CONSOLIDATED CASH FLOW STATEMENT
DOES NOT AGREE TO MOVEMENT PER BALANCE SHEET

| | | |
|---|---|-----------|
| COMPARE MOVEMENT ON CONSOLIDATED CASH FLOW STATEMENT | = | (899,280) |
|---|---|-----------|

| | | | |
|----|---|---|-----|
| TO | MOVEMENT PER BALANCE SHEET CASH AND CASH EQUIVALENTS | = | 720 |
|----|---|---|-----|

Notes to the Consolidated Financial Statements
for the year ended 31st December 2021

1. STATUTORY INFORMATION

Kwiktuf Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2016, is being amortised evenly over its estimated useful life of ten years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

| | |
|-----------------------|--|
| Freehold property | - not provided |
| Plant and machinery | - 20% on cost, 15% on reducing balance and 10% on cost |
| Fixtures and fittings | - 20% on cost and 15% on reducing balance |
| Motor vehicles | - 25% on reducing balance and 25% on cost |
| Computer equipment | - 33% on cost and 20% on cost |

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Consolidated Financial Statements - continued
for the year ended 31st December 2021

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

3. EMPLOYEES AND DIRECTORS

| | 2021 | 2020 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 3,244,567 | 2,940,853 |
| Social security costs | 233,862 | 225,576 |
| Other pension costs | 56,808 | 56,009 |
| | <u>3,535,237</u> | <u>3,222,438</u> |

The average number of employees during the year was as follows:

| | 2021 | 2020 |
|-------------------------|------------|------------|
| Direct cost employees | 148 | 118 |
| Overhead cost employees | <u>21</u> | <u>20</u> |
| | <u>169</u> | <u>138</u> |

| | 2021 | 2020 |
|-------------------------|---------------|---------------|
| | £ | £ |
| Directors' remuneration | <u>65,088</u> | <u>63,364</u> |

Notes to the Consolidated Financial Statements - continued
for the year ended 31st December 2021

4. OPERATING PROFIT

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

| | 2021 | 2020 |
|--|-----------------|-----------------|
| | £ | £ |
| Other operating leases | 5,288 | 3,600 |
| Depreciation - owned assets | 177,500 | 190,225 |
| Depreciation - assets on hire purchase contracts | 94,986 | 71,377 |
| Profit on disposal of fixed assets | (30,659) | (200) |
| Goodwill amortisation | 327,045 | 327,045 |
| Auditors' remuneration | 2,200 | 2,000 |
| Government grants amortisation | <u>(30,000)</u> | <u>(30,000)</u> |

5. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2021 | 2020 |
|------------------------|---------------|---------------|
| | £ | £ |
| Bank interest | - | 141 |
| Bank loan interest | 21,529 | 32,067 |
| Loan interest | 44,626 | 56,300 |
| Disallowed interest | 1,400 | - |
| PAYE interest | - | 591 |
| Hire purchase interest | <u>7,468</u> | <u>7,789</u> |
| | <u>75,023</u> | <u>96,888</u> |

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

| | 2021 | 2020 |
|--------------------|----------------|----------------|
| | £ | £ |
| Current tax: | | |
| UK corporation tax | 176,309 | 151,663 |
| Deferred taxation | <u>8,378</u> | <u>(8,235)</u> |
| Tax on profit | <u>184,687</u> | <u>143,428</u> |

Notes to the Consolidated Financial Statements - continued
for the year ended 31st December 2021

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

| | 2021 £ | 2020 £ |
|--|-----------------------|-----------------------|
| Profit before tax | <u>876,104</u> | <u>441,130</u> |
| Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2020 - 19 %) | 166,460 | 83,815 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 689 | 146 |
| Depreciation in excess of capital allowances | - | 3,029 |
| Amortisation not taxable | (5,700) | (5,700) |
| Capital allowances in excess of depreciation | (38,901) | - |
| Group amortisation | <u>62,139</u> | <u>62,138</u> |
| Total tax charge | <u>184,687</u> | <u>143,428</u> |

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. DIVIDENDS

| | 2021 £ | 2020 £ |
|------------------------------|-----------------------|-----------------------|
| Ordinary shares of £1 each | | |
| Interim | 100,022 | 100,028 |
| Ordinary A shares of £1 each | | |
| Interim | <u>113,100</u> | <u>110,200</u> |
| | <u>213,122</u> | <u>210,228</u> |

Notes to the Consolidated Financial Statements - continued
for the year ended 31st December 2021

9. **INTANGIBLE FIXED ASSETS**

Group

| | Goodwill £ |
|------------------------|-----------------------|
| COST | |
| At 1st January 2021 | |
| and 31st December 2021 | <u>3,270,453</u> |
| AMORTISATION | |
| At 1st January 2021 | 1,471,703 |
| Amortisation for year | <u>327,045</u> |
| At 31st December 2021 | <u>1,798,748</u> |
| NET BOOK VALUE | |
| At 31st December 2021 | <u>1,471,705</u> |
| At 31st December 2020 | <u>1,798,750</u> |

10. **TANGIBLE FIXED ASSETS**

Group

| | Freehold property £ | Plant and machinery £ | Fixtures and fittings £ |
|---------------------------|------------------------------------|--------------------------------------|--|
| COST | | | |
| At 1st January 2021 | 1,144,817 | 3,495,972 | 60,204 |
| Additions | - | 310,408 | 2,267 |
| Disposals | - | (55,349) | - |
| Transfer to ownership | - | 3,784 | - |
| Reclassification/transfer | - | (160,003) | - |
| At 31st December 2021 | <u>1,144,817</u> | <u>3,594,812</u> | <u>62,471</u> |
| DEPRECIATION | | | |
| At 1st January 2021 | - | 2,809,570 | 59,684 |
| Charge for year | - | 229,978 | 368 |
| Eliminated on disposal | - | (34,102) | - |
| Transfer to ownership | - | 3,784 | - |
| Reclassification/transfer | - | (133,821) | - |
| At 31st December 2021 | <u>-</u> | <u>2,875,409</u> | <u>60,052</u> |
| NET BOOK VALUE | | | |
| At 31st December 2021 | <u>1,144,817</u> | <u>719,403</u> | <u>2,419</u> |
| At 31st December 2020 | <u>1,144,817</u> | <u>686,402</u> | <u>520</u> |

Notes to the Consolidated Financial Statements - continued
for the year ended 31st December 2021

10. **TANGIBLE FIXED ASSETS - continued**

Group

| | Motor vehicles £ | Computer equipment £ | Totals £ |
|---------------------------|------------------------|----------------------------|------------------|
| COST | | | |
| At 1st January 2021 | 242,663 | - | 4,943,656 |
| Additions | 44,334 | 6,878 | 363,887 |
| Disposals | - | - | (55,349) |
| Transfer to ownership | - | - | 3,784 |
| Reclassification/transfer | - | 160,003 | - |
| At 31st December 2021 | <u>286,997</u> | <u>166,881</u> | <u>5,255,978</u> |
| DEPRECIATION | | | |
| At 1st January 2021 | 169,285 | - | 3,038,539 |
| Charge for year | 33,039 | 9,101 | 272,486 |
| Eliminated on disposal | - | - | (34,102) |
| Transfer to ownership | - | - | 3,784 |
| Reclassification/transfer | - | 133,821 | - |
| At 31st December 2021 | <u>202,324</u> | <u>142,922</u> | <u>3,280,707</u> |
| NET BOOK VALUE | | | |
| At 31st December 2021 | <u>84,673</u> | <u>23,959</u> | <u>1,975,271</u> |
| At 31st December 2020 | <u>73,378</u> | <u>-</u> | <u>1,905,117</u> |

The net book value of tangible fixed assets includes £ 282,879 (2020 - £ 318,078) in respect of assets held under hire purchase contracts.

11. **FIXED ASSET INVESTMENTS**

Company

| | Shares in group undertaking £ |
|---|--|
| COST | |
| At 1st January 2021 and 31st December 2021 | <u>5,320,610</u> |
| NET BOOK VALUE | |
| At 31st December 2021 | <u>5,320,610</u> |
| At 31st December 2020 | <u>5,320,610</u> |

Notes to the Consolidated Financial Statements - continued
for the year ended 31st December 2021

11. FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Kwiktuf Limited

Registered office: 264 Wincolmlee, Hull, HU2 0PZ

Nature of business: Glass processing specialists

| | |
|------------------|-------------------|
| Class of shares: | % |
| Ordinary | holding 100.00 |

12. STOCKS

| | Group | |
|------------------|-----------------------|----------------|
| | 2021 | 2020 |
| | £ | £ |
| Raw materials | 372,323 | 344,660 |
| Work-in-progress | 19,894 | 29,984 |
| | <u>392,217</u> | <u>374,644</u> |

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | |
|---------------|-------------------------|------------------|
| | 2021 | 2020 |
| | £ | £ |
| Trade debtors | 1,544,673 | 1,559,232 |
| Prepayments | 92,040 | 77,691 |
| | <u>1,636,713</u> | <u>1,636,923</u> |

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---|-------------------------|------------------|-------------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts (see note 16) | 58,311 | 973,107 | - | 267,400 |
| Hire purchase contracts (see note 17) | 63,305 | 70,428 | - | - |
| Trade creditors | 738,256 | 654,864 | - | - |
| Invoicing discounting | 743,897 | 198,398 | - | - |
| Taxation | 176,309 | 151,663 | - | - |
| Social security and other taxes | 325,451 | 518,936 | - | - |
| Other creditors | 1,142 | 59 | - | - |
| Amounts owed to group undertakings | - | - | 1,882,495 | 1,917,095 |
| Directors' current accounts | - | 10,000 | - | - |
| Accrued expenses | 41,099 | 48,544 | - | - |
| | <u>2,147,770</u> | <u>2,625,999</u> | <u>1,882,495</u> | <u>2,184,495</u> |

Notes to the Consolidated Financial Statements - continued
for the year ended 31st December 2021

15. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

| | Group | | Company | |
|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Bank loans (see note 16) | 590,583 | - | - | - |
| Other loans (see note 16) | - | 500,000 | - | - |
| Hire purchase contracts (see note 17) | 167,561 | 132,527 | - | - |
| Shareholder loans | 1,363,215 | 1,706,084 | 1,363,215 | 1,706,084 |
| | <u>2,121,359</u> | <u>2,338,611</u> | <u>1,363,215</u> | <u>1,706,084</u> |

16. **LOANS**

An analysis of the maturity of loans is given below:

| | Group | | Company | |
|---|-----------------------|-----------------------|-----------------|-----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Amounts falling due within one year or on demand: | | | | |
| Bank loans | 58,311 | 973,107 | - | 267,400 |
| Amounts falling due between two and five years: | | | | |
| Bank loans - 2-5 years | 590,583 | - | - | - |
| Other loans - 2-5 years | - | 500,000 | - | - |
| | <u>590,583</u> | <u>500,000</u> | <u>-</u> | <u>-</u> |

17. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

| Group | Hire purchase contracts | |
|----------------------------|--------------------------------|-----------------------|
| | 2021 | 2020 |
| | £ | £ |
| Net obligations repayable: | | |
| Within one year | 63,305 | 70,428 |
| Between one and five years | 167,561 | 132,527 |
| | <u>230,866</u> | <u>202,955</u> |

Notes to the Consolidated Financial Statements - continued
for the year ended 31st December 2021

18. SECURED DEBTS

The following secured debts are included within creditors:

| | Group | | Company | |
|-------------------------|-----------------------|------------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Bank loans | 648,894 | 973,107 | - | 267,400 |
| Hire purchase contracts | 230,866 | 202,955 | - | - |
| | <u>879,760</u> | <u>1,176,062</u> | <u>-</u> | <u>267,400</u> |

The bank loan, Invoice discounting and Hire Purchase are secured by way of a fixed and floating charge over the group's property and assets.

19. PROVISIONS FOR LIABILITIES

| | Group | |
|-------------------------------|-----------------------|-----------------------|
| | 2021 | 2020 |
| | £ | £ |
| Deferred taxation | <u>145,215</u> | <u>136,837</u> |
| Group | | |
| | | Deferred tax |
| | | £ |
| Balance at 1st January 2021 | | 136,837 |
| Provided during year | | <u>8,378</u> |
| Balance at 31st December 2021 | | <u>145,215</u> |

20. ACCRUALS AND DEFERRED INCOME

| | Group | |
|----------------------------|----------------------|---------------|
| | 2021 | 2020 |
| | £ | £ |
| Deferred government grants | <u>60,000</u> | <u>90,000</u> |

21. CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid: | | | | |
|----------------------------------|------------|----------------|-----------------------|----------------|
| Number: | Class: | Nominal value: | 2021 | 2020 |
| | | | £ | £ |
| 100,022 | Ordinary | £1 | 100,022 | 100,022 |
| 58 | Ordinary A | £1 | <u>58</u> | <u>58</u> |
| | | | <u>100,080</u> | <u>100,080</u> |

22. RELATED PARTY DISCLOSURES

Notes to the Consolidated Financial Statements - continued
for the year ended 31st December 2021

22. RELATED PARTY DISCLOSURES - continued

Entities over which the entity has control, joint control or significant influence

| | 2021 | 2020 |
|-----------------------------|-------------------------|-------------------------|
| | £ | £ |
| Amount due to related party | <u>1,882,495</u> | <u>1,917,095</u> |

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.