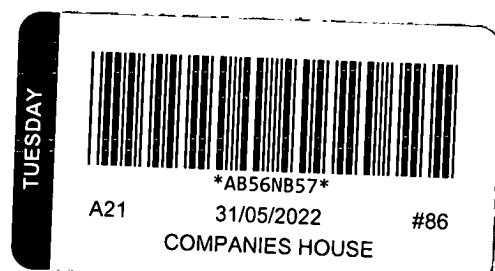


Registered number: 11675446

**CARTOR HOLDINGS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 SEPTEMBER 2021**



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**CARTOR HOLDINGS LIMITED**

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## CARTOR HOLDINGS LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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The directors present their report and the financial statements for the period ended 30 September 2021.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Results and dividends**

The loss for the period, after taxation, amounted to £234,279 (2020 - loss £13,641).

No dividend has been paid during the year.

#### **Directors**

The directors who served during the period were:

I R H Bringham  
M J French

#### **Matters covered in the strategic report**

The business review and principle activities of the Group are not included in the Directors' Report as they are shown in the strategic report as required under s414C of the Companies Act 2006. Additionally the Directors consideration of Going Concern is covered in the Strategic Report and note 2 to the accounts.

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## CARTOR HOLDINGS LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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#### Directors and officers insurance

The Group has maintained throughout the year Directors' and officers' liability insurance for the benefit of the Group, the Directors and its officers. The Group has entered into qualifying third party indemnity arrangements for the benefit of all its Directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

#### Disclosure of information to auditor

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 and the Group's auditor is 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 and the Group's auditor is aware of that information.

#### Post balance sheet events

There have been no significant post balance sheet events since the year end.

#### Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 19th May 2022

and signed on its behalf.



**I R H Brigham**  
Director

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## **CARTOR HOLDINGS LIMITED**

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### **GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

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#### **Introduction**

The company is an intermediary holding company providing services to Walsall Security Printers Limited and Cartor Security Printing SA.

The group's principal activity is that of printers of postage stamps, vouchers, savings stamps, and other security materials.

#### **Business review**

The Directors were disappointed with the current year's performance, which saw a decrease in turnover resulting in the company posting a loss for the year. The reduction in turnover was due to a large drop in volumes to a major customer. Consequently, this contributed to the Group posting a loss, which resulted in the implementation of several cost saving measures.

The Directors are looking at enhancements to production efficiencies, some key operational changes, and the commissioning of a number of strategic capital investments to ensure the Group can post a profit next year.

The Group recorded a loss on ordinary activities before taxation of £201,417 (2020 – profit £55,588).

#### **Principal risks and uncertainties**

The group sells to customers all around the world and has a number of foreign currency loans held at both the Allied Irish Bank and the BNP Paribas Bank. The group is therefore exposed to movements in foreign currency to Sterling exchange rate. The group limits its exchange risk by paying major suppliers and repaying its bank loans with foreign currency sales receipts.

The group's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers and by monitoring payments against contractual agreements.

The Group has variable rate foreign currency loans with both the Allied Irish Bank and BNP Paribas Bank. The group is therefore exposed to movements in foreign currency to Sterling exchange rate and to changes in the interest rate. The directors monitor the movements in both exchange rates and interest rates to safeguard against any adverse impact on the business.

A principal risk to the Group is inflation and in particular rising energy costs. This has affected our costs from all parts of the supply-chain, and we have limited opportunities to increase prices to our customers. The Group is constantly looking at alternative suppliers to remain competitive and to try and counter these risks.

Another principal risk to the business continues to be the ongoing worldwide pandemic COVID-19 and the recent conflict in Ukraine. Whilst the Group continues to be fully operational it continues to adapt COVID safe working practices to ensure the safety of its employees at work. Also, the supply chain of the business remains fully operational, however this could change in the future, so we continually monitor these to ensure the business can operate successfully to meet our customers' requirements.

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## CARTOR HOLDINGS LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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#### Financial key performance indicators

The Group saw a reduction in turnover of 3.8% during the period to £15,512,600 (2020 - £16,131,835).

The gross profit margin has increased from 24.2% last year to 25.9% this period and this is due to new products being introduced and the continued cost savings initiatives. The administration expenses have risen by £339,450 and this represents an increase of 9.3%.

The Group's pension asset of £1,810,000 (2020 £482,000) has not been recognised on the balance sheet as there is no discernible benefit due to the Group from this asset, further details can be found in note 30.

#### Future developments

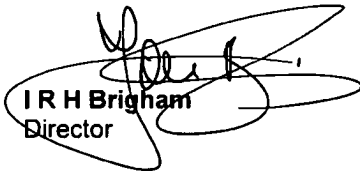
The Group is planning a rebrand in 2022 of its subsidiary companies to promote the business to the wider security print sector as it strives to achieve one of its strategic goals in product and market diversification.

The markets the Group operates in remain fiercely competitive and maintaining margins is very difficult to achieve. The Group has several key long-term contracts renewing this year and retaining these along with winning several new ones is essential this year. The Group hopes that the rebrand will further enhance its product portfolio in new security markets this year.

The Group is about to undertake further significant capital investments in the next financial year which will not only enhance the existing products it produces but create opportunities to break into new products and markets.

This report was approved by the board on 19th May 2022

and signed on its behalf.



**I R H Brigham**  
Director

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## CARTOR HOLDINGS LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARTOR HOLDINGS LIMITED

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#### Opinion

We have audited the financial statements of Cartor Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 30 September 2021, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, 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's affairs as at 30 September 2021 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

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## **CARTOR HOLDINGS LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARTOR HOLDINGS LIMITED (CONTINUED)**

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#### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion 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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Group 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 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 Directors' report.

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

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

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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## CARTOR HOLDINGS LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARTOR HOLDINGS LIMITED (CONTINUED)

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#### 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

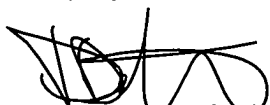
We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Taxation legislation and Health & Safety regulations compliance.

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of income, posting of unusual journals along with complex transactions and manipulating the Group's key performance indicators to meet targets. We discussed these risks with client management, designed audit procedures to test the timing of revenue, tested a sample of journals to confirm they were appropriate and reviewed areas of judgement for indicators of management bias to address these risks.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

#### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Dave Darlaston (Senior statutory auditor)  
for and on behalf of

**Crowe U.K. LLP**  
Statutory Auditor  
Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

Date: 24 / 5 / 2022

**CARTOR HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	15,512,600	16,131,835
Cost of sales		(11,501,269)	(12,225,940)
<b>Gross profit</b>		<b>4,011,331</b>	<b>3,905,895</b>
Administrative expenses		(3,784,806)	(3,637,485)
Exceptional administrative expenses	14	(192,129)	-
Other operating income	5	79,594	30,616
<b>Operating profit</b>	6	<b>113,990</b>	<b>299,026</b>
Income from fixed assets investments		2,356	-
Interest receivable and similar income	10	8	35
Interest payable and similar expenses	11	(317,771)	(259,473)
Other finance income		-	16,000
<b>(Loss)/profit before taxation</b>		<b>(201,417)</b>	<b>55,588</b>
Tax on (loss)/profit	13	(32,862)	(69,229)
<b>Loss for the financial period</b>		<b>(234,279)</b>	<b>(13,641)</b>
Currency translation differences		(66,121)	27,851
Actuarial losses on defined benefit pension scheme		-	(136,000)
Pension surplus not recognised		(482,000)	-
Movement of deferred tax relating to pension surplus		92,000	25,840
<b>Total comprehensive income for the period</b>		<b>(690,400)</b>	<b>(95,950)</b>

The notes on pages 15 to 38 form part of these financial statements.

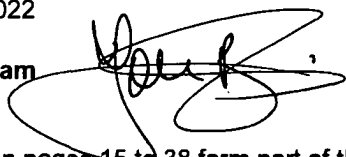
**CARTOR HOLDINGS LIMITED**  
**REGISTERED NUMBER: 11675446**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2021**

	Note	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Intangible assets	15		864,916		946,124
Tangible assets	16		14,259,565		12,108,667
Investments	17		75,000		75,000
			<u>15,199,481</u>		<u>13,129,791</u>
<b>Current assets</b>					
Stocks	18	2,028,475		2,853,342	
Debtors: amounts falling due within one year	19	1,695,641		2,631,294	
Cash at bank and in hand	20	3,060,081		1,070,470	
		<u>6,784,197</u>		<u>6,555,106</u>	
Creditors: amounts falling due within one year	21	(5,051,642)		(4,810,107)	
<b>Net current assets</b>			<u>1,732,555</u>		<u>1,744,999</u>
<b>Total assets less current liabilities</b>			<u>16,932,036</u>		<u>14,874,790</u>
Creditors: amounts falling due after more than one year	22		(12,869,024)		(10,592,426)
<b>Provisions for liabilities</b>					
Deferred taxation	26		(192,012)		(202,964)
Pension asset	31		-		482,000
<b>Net assets</b>			<u><u>3,871,000</u></u>		<u><u>4,561,400</u></u>
<b>Capital and reserves</b>					
Called up share capital	27		1,750		1,750
Other reserves	28		5,448,250		5,448,250
Profit and loss account	28		(1,579,000)		(888,600)
			<u><u>3,871,000</u></u>		<u><u>4,561,400</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19th May 2022

I R H Brigham  
Director



The notes on pages 15 to 38 form part of these financial statements.

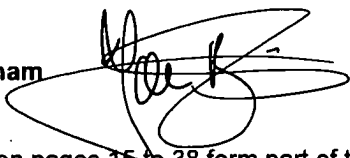
**CARTOR HOLDINGS LIMITED**  
**REGISTERED NUMBER: 11675446**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2021**

		2021	2021	2020	2020
	Note	£	£	£	£
<b>Fixed assets</b>					
Investments	17		5,554,000		5,554,000
			<u>5,554,000</u>		<u>5,554,000</u>
<b>Current assets</b>					
Debtors: amounts falling due within one year	19	991,878		1,611,878	
Cash at bank and in hand	20	6,437		166,535	
		<u>998,315</u>		<u>1,778,413</u>	
Creditors: amounts falling due within one year	21	(682,681)		(816,578)	
<b>Net current assets</b>			<u>315,634</u>		<u>961,835</u>
<b>Total assets less current liabilities</b>			<u>5,869,634</u>		<u>6,515,835</u>
Creditors: amounts falling due after more than one year	22		(5,726,818)		(6,409,963)
<b>Net assets</b>			<u><u>142,816</u></u>		<u><u>105,872</u></u>
<b>Capital and reserves</b>					
Called up share capital	27		1,750		1,750
Profit and loss account brought forward		104,122		11,980	
Profit for the period		<u>36,944</u>		<u>92,142</u>	
Profit and loss account carried forward			<u>141,066</u>		<u>104,122</u>
			<u><u>142,816</u></u>		<u><u>105,872</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19th May 2022

**I R H Brigham**  
 Director



The notes on pages 15 to 38 form part of these financial statements.

**CARTOR HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
<b>At 1 October 2019</b>	<b>1,750</b>	<b>5,448,250</b>	<b>(792,650)</b>	<b>4,657,350</b>
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(13,641)	(13,641)
Currency translation differences	-	-	27,851	27,851
Actuarial losses on pension scheme	-	-	(136,000)	(136,000)
Deferred tax movements	-	-	25,840	25,840
<b>Contributions by and distributions to owners</b>				
<b>At 1 October 2020</b>	<b>1,750</b>	<b>5,448,250</b>	<b>(888,600)</b>	<b>4,561,400</b>
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(234,279)	(234,279)
Currency translation differences	-	-	(66,121)	(66,121)
Pension surplus not recognised	-	-	(482,000)	(482,000)
Deferred tax movements	-	-	92,000	92,000
<b>At 30 September 2021</b>	<b>1,750</b>	<b>5,448,250</b>	<b>(1,579,000)</b>	<b>3,871,000</b>

The notes on pages 15 to 38 form part of these financial statements.

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**CARTOR HOLDINGS LIMITED**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 October 2019</b>	<b>1,750</b>	<b>11,980</b>	<b>13,730</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	92,142	92,142
<b>At 1 October 2020</b>	<b>1,750</b>	<b>104,122</b>	<b>105,872</b>
<b>Comprehensive income for the year</b>			
Profit for the period	-	36,944	36,944
<b>At 30 September 2021</b>	<b>1,750</b>	<b>141,066</b>	<b>142,816</b>

The notes on pages 15 to 38 form part of these financial statements.

**CARTOR HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial period	(234,279)	(13,641)
<b>Adjustments for:</b>		
Amortisation of intangible assets	136,296	125,586
Depreciation of tangible assets	1,361,063	1,409,347
Loss on disposal of tangible assets	38,980	(1,995)
Government grants	(79,594)	(30,616)
Interest paid	317,771	259,473
Interest received	(2,364)	(35)
Taxation charge	32,862	69,229
Decrease/(increase) in stocks	824,867	(670,784)
Decrease/(increase) in debtors	877,467	(356,908)
(Decrease)/increase in creditors	(346,680)	323,233
Increase/(decrease) in net pension assets/liabs	-	(109,000)
Corporation tax received	99,800	131
Foreign exchange	15,235	(6,203)
Finance income	-	(16,000)
<b>Net cash generated from operating activities</b>	<b>3,041,424</b>	<b>981,817</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(55,088)	(11,918)
Purchase of tangible fixed assets	(3,821,000)	(979,152)
Sale of tangible fixed assets	186,043	4,366
Government grants received	79,594	30,616
Interest received	8	35
HP interest paid	(9,858)	(9,931)
Income from investments	2,356	-
<b>Net cash from investing activities</b>	<b>(3,617,945)</b>	<b>(965,984)</b>

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**CARTOR HOLDINGS LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

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	2021 £	2020 £
<b>Cash flows from financing activities</b>		
New secured loans	5,014,651	1,971,562
Repayment of loans	(2,017,841)	(886,693)
Repayment of finance leases	(104,654)	(105,037)
Interest paid	(307,913)	(249,542)
<b>Net cash used in financing activities</b>	<b>2,584,243</b>	<b>730,290</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,007,722</b>	<b>746,123</b>
Cash and cash equivalents at beginning of period	1,052,359	306,236
<b>Cash and cash equivalents at the end of period</b>	<b>3,060,081</b>	<b>1,052,359</b>
<b>Cash and cash equivalents at the end of period comprise:</b>		
Cash at bank and in hand	3,060,081	1,070,470
Bank overdrafts	-	(18,111)
	<b>3,060,081</b>	<b>1,052,359</b>



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## CARTOR HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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#### 1. General information

Cartor Holdings Limited is a private company limited by shares (registered number 11675446), which was registered and incorporated on 13 November 2018 in England. The address of the registered office is Unit G3, Valiant Way, Wolverhampton, WV9 5GB.

The principal activity of Cartor Holdings Limited is that of a holding company. The Group's principal activities is that of printers of postage stamps, vouchers, savings stamps and other security materials.

#### 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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

##### 2.3 Going concern

The Group meets its working capital requirements through its bank facilities. Those facilities comprise of bank overdraft facilities of £1M in the UK and €1.2M in France. On top of this in France we have secured a government cash flow loan of €1.68M and a UK Government CBILS loan from Allied Irish Bank of £2M. The directors prepare annual budgets and forecasts to ensure that they have sufficient facilities in place and that they comply with the terms and conditions of the bank facilities. In addition, the Board in formulating its plan and strategy for the future development of the business has considered a period beyond that for which formal budgets and forecast are prepared.

The Covid 19 pandemic has not had a significant, immediate impact on the Group's operations, but the Directors are aware that if the current situation becomes prolonged then this may change.

Having regard to the above, the directors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

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## CARTOR HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is recognised when the group has transferred the significant risks and rewards of ownership to the buyer; this is deemed to be at the point of dispatch.

##### 2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

##### 2.6 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

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## CARTOR HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.7 Intangible assets

###### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

###### Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	Over 10 years
Software	-	Over 4 years

The amortisation charge for the year is included within the Statement of comprehensive income within the administrative expenses line.

##### 2.8 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.

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. The cost of land is not depreciated.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Plant and machinery	- 7-33% straight line
Fixtures, fittings and equipment	- 10-25% straight line
Assets under construction	- Not depreciated

##### 2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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## CARTOR HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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#### 2. Accounting policies (continued)

##### 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 profit or loss.

##### 2.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans from related parties.

###### Debtors

Short term debtors are measured at transaction price, less impairment.

###### 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.

###### 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.

##### 2.12 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of comprehensive income. Exchange gains and losses on the translation of the French subsidiary, Cartor Security Printers SA, are recognised through the Statement of comprehensive income as other comprehensive income.

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## CARTOR HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### Critical accounting estimates and assumptions

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

##### *Defined pension scheme asset*

The present value of the defined benefit pension scheme asset depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 31, will impact the carrying amount of the pension asset, including the scheme rules and the Companies ability to benefit from the asset. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2020 has been used by the actuary in valuing the pensions liability at 30 September 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### Critical areas of judgment:

There are no critical judgments which would have a material impact on the financial statements.

#### 4. Turnover

The analysis of turnover by class of business and geographical market has not been provided as, in the opinion of the directors, such disclosure would be seriously prejudicial to the interests of the group.

#### 5. Other operating income

	2021 £	2020 £
Government grants receivable	79,594	30,616
	<u>79,594</u>	<u>30,616</u>

Government grants received during the year related to the Coronavirus Job Retention Scheme.

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**CARTOR HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

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**6. Operating profit**

The operating profit is stated after charging:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets owned by the group	<b>1,307,174</b>	<b>1,355,311</b>
Depreciation of tangible fixed assets held under finance	<b>53,889</b>	<b>54,036</b>
Amortisation of intangible assets, including goodwill	<b>136,296</b>	<b>125,586</b>
Exchange differences	<b>(22,353)</b>	<b>(84,263)</b>
Other operating lease rentals	<b>135,517</b>	<b>155,593</b>
	<b><u>1,609,929</u></b>	<b><u>1,599,963</u></b>

**7. Auditor's remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<b>27,250</b>	<b>26,600</b>
	<b><u>27,250</u></b>	<b><u>26,600</u></b>

**Fees payable to the Group's auditor and its associates in respect of:**

Taxation compliance services	<b>2,725</b>	<b>2,500</b>
Fees payable to subsidiary auditor	<b>-</b>	<b>2,221</b>
	<b><u>2,725</u></b>	<b><u>4,721</u></b>

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**CARTOR HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

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**8. Employees**

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

	<b>Group 2021 £</b>	<b>Group 2020 £</b>
Wages and salaries	<b>4,132,704</b>	4,287,781
Social security costs	<b>317,753</b>	342,600
Cost of defined contribution scheme	<b>347,501</b>	240,091
	<b><u>4,797,958</u></b>	<b><u>4,870,472</u></b>

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

	<b>2021 No.</b>	<b>2020 No.</b>
Salaried	<b>40</b>	40
Hourly paid	<b>75</b>	89
	<b><u>115</u></b>	<b><u>129</u></b>

**9. Directors' remuneration**

	<b>2021 £</b>	<b>2020 £</b>
Directors' emoluments	<b>172,909</b>	183,450
Company contributions to defined contribution pension schemes	<b>80,000</b>	80,000
	<b><u>252,909</u></b>	<b><u>263,450</u></b>

During the period retirement benefits were accruing to 2 directors (2020 - 2) in respect of defined contribution pension schemes.

**10. Interest receivable**

	<b>2021 £</b>	<b>2020 £</b>
Other interest receivable	<b>8</b>	35
	<b><u>8</u></b>	<b><u>35</u></b>

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**CARTOR HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

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**11. Interest payable and similar expenses**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank interest payable	<b>307,913</b>	<b>249,542</b>
Finance leases and hire purchase contracts	<b>9,858</b>	<b>9,931</b>
	<b>317,771</b>	<b>259,473</b>

**12. Other finance costs**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest income on pension scheme assets	-	<b>146,000</b>
Net interest on net defined benefit liability	-	<b>(130,000)</b>
	-	<b>16,000</b>



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CARTOR HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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13. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	(40,186)	(17,734)
Adjustments in respect of previous periods	-	(35,699)
	<u>(40,186)</u>	<u>(53,433)</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	-	58,162
	<u>-</u>	<u>58,162</u>
<b>Total current tax</b>	<u>(40,186)</u>	<u>4,729</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	35,480	40,472
Effect of tax changes	37,568	10,982
Adjustments in respect of prior periods	-	13,046
<b>Total deferred tax</b>	<u>73,048</u>	<u>64,500</u>
<b>Taxation on profit on ordinary activities</b>	<u>32,862</u>	<u>69,229</u>

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CARTOR HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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13. Taxation (continued)

**Factors affecting tax charge for the period/year**

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

	2021 £	2020 £
(Loss)/profit on ordinary activities before tax	(201,417)	55,588
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(38,269)	10,562
<b>Effects of:</b>		
Fixed asset permanent differences	20,049	36,374
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	14,346	45,648
Defined benefit pension adjustment	(109,060)	-
Higher rate taxes on overseas earnings	124,008	27,389
Adjustments to tax charge in respect of prior periods	-	(22,653)
Adjust closing deferred tax rate	43,436	6,109
Deferred tax not recognised	(3,909)	(26,569)
Additional deduction for R&D expenditure	(29,763)	(13,135)
Surrender of tax losses for R&D tax credit refund	12,472	5,504
Non-taxable income	(448)	-
<b>Total tax charge for the period/year</b>	<b>32,862</b>	<b>69,229</b>

**Factors that may affect future tax charges**

The Group has tax losses of approximately £3,665,838 which are available to be carried forward against future trading profits. This amount includes £559,701 of losses in relation to Cartor SA.

The corporation tax rate is set to be increased to 25% in April 2023.

Deferred tax has been provided at the enacted rate of 25%. This is the rate at which the Directors believe it will reverse.

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**CARTOR HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

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**14. Exceptional items**

	2021 £	2020 £
Exceptional administration costs	192,129	-
	<u>192,129</u>	<u>-</u>

The exceptional administration costs relate to one off redundancy costs incurred during the year.

**15. Intangible assets**

**Group and Company**

	Software £	Goodwill £	Total £
<b>Cost</b>			
At 1 October 2020	89,860	1,098,450	1,188,310
Additions	55,088	-	55,088
At 30 September 2021	<u>144,948</u>	<u>1,098,450</u>	<u>1,243,398</u>
<b>Amortisation</b>			
At 1 October 2020	40,798	201,388	242,186
Charge for the period	26,448	109,848	136,296
At 30 September 2021	<u>67,246</u>	<u>311,236</u>	<u>378,482</u>
<b>Net book value</b>			
At 30 September 2021	<u>77,702</u>	<u>787,214</u>	<u>864,916</u>
At 30 September 2020	<u>49,062</u>	<u>897,062</u>	<u>946,124</u>

**CARTOR HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

**16. Tangible fixed assets**

**Group**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Assets under construction £	Total £
<b>Cost or valuation</b>					
At 1 October 2020	5,960,996	6,873,377	1,472,939	108,667	14,415,979
Additions	82,440	746,873	217,692	2,773,995	3,821,000
Disposals	-	(663,795)	(1,511)	-	(665,306)
Transfers between classes	-	-	108,667	(108,667)	-
Exchange adjustments	(42,266)	(262,585)	(14,007)	-	(318,858)
At 30 September 2021	6,001,170	6,693,870	1,783,780	2,773,995	17,252,815
<b>Depreciation</b>					
At 1 October 2020	241,707	1,951,313	114,292	-	2,307,312
Charge for the period	130,862	905,568	324,633	-	1,361,063
Disposals	-	(441,729)	(1,511)	-	(443,240)
Exchange adjustments	(11,790)	(211,155)	(8,940)	-	(231,885)
At 30 September 2021	360,779	2,203,997	428,474	-	2,993,250
<b>Net book value</b>					
At 30 September 2021	5,640,391	4,489,873	1,355,306	2,773,995	14,259,565
At 30 September 2020	5,719,289	4,922,064	1,358,647	108,667	12,108,667

Freehold property includes freehold land at cost of £1,099,386 (2020 - £1,099,386) which is not depreciated.

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

	2021 £	2020 £
Plant and machinery	372,511	395,085
	<u>372,511</u>	<u>395,085</u>

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**CARTOR HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

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**17. Fixed asset investments**

**Group**

	<b>Unlisted investments £</b>
<b>Cost or valuation</b>	
At 1 October 2020	<b>75,000</b>
At 30 September 2021	<b>75,000</b>

**Company**

	<b>Investments in subsidiary companies £</b>	<b>Unlisted investments £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 October 2020	<b>5,479,000</b>	<b>75,000</b>	<b>5,554,000</b>
At 30 September 2021	<b>5,479,000</b>	<b>75,000</b>	<b>5,554,000</b>

**Direct subsidiary undertaking**

The following was a direct subsidiary undertaking of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
B & W Holdings Limited	Unit G3, Valiant Way, Wolverhampton, WV9 5GB	Ordinary	100%

**CARTOR HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

**17. Fixed asset investments (continued)**

**Indirect subsidiary undertakings**

The following were indirect subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Cartor Security Print Group Limited (Formerly International Security Printers Limited)*	Unit G3, Valiant Way, Wolverhampton, WV9 5GB	Ordinary	100%
Cartor Security Printers Limited (Formerly Walsall Security Printers Limited)**	Unit G3, Valiant Way, Wolverhampton, WV9 5GB	Ordinary	100%
Cartor Security Printing SA**	Avenue Rowland Hill, Z I Gutenberg, 28240 La Loupe, FRANCE	Ordinary	100%

\* This company is a direct subsidiary of B & W Holdings Limited.

\*\* This company is a direct subsidiary of Cartor Security Print Group Limited..

**18. Stocks**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>
Raw materials and consumables	<b>1,613,894</b>	2,028,928
Work in progress	<b>414,581</b>	824,414
	<b><u>2,028,475</u></b>	<b><u>2,853,342</u></b>

**19. Debtors**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Trade debtors	<b>1,298,194</b>	2,092,191	-	-
Amounts owed by group undertakings	-	-	<b>991,878</b>	1,611,878
Other debtors	<b>43,261</b>	241,554	-	-
Prepayments and accrued income	<b>314,000</b>	297,549	-	-
Tax recoverable	<b>40,186</b>	-	-	-
	<b><u>1,695,641</u></b>	<b><u>2,631,294</u></b>	<b><u>991,878</u></b>	<b><u>1,611,878</u></b>

**CARTOR HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

**20. Cash and cash equivalents**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Cash at bank and in hand	3,060,081	1,070,470	6,437	166,535
Less: bank overdrafts	-	(18,111)	-	-
	<u>3,060,081</u>	<u>1,052,359</u>	<u>6,437</u>	<u>166,535</u>

**21. Creditors: Amounts falling due within one year**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Bank overdrafts	-	18,111	-	-
Bank loans	1,812,607	1,357,708	526,270	508,569
Trade creditors	1,911,217	2,305,873	-	-
Corporation tax	1,427	-	-	-
Other taxation and social security	406,805	204,294	-	-
Obligations under finance lease and hire purchase contracts	104,653	104,653	-	-
Other creditors	169,197	218,468	150,000	150,000
Accruals and deferred income	645,736	601,000	6,411	158,009
	<u>5,051,642</u>	<u>4,810,107</u>	<u>682,681</u>	<u>816,578</u>

**22. Creditors: Amounts falling due after more than one year**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Bank loans	9,659,140	7,127,888	2,551,818	3,084,963
Net obligations under finance leases and hire purchase contracts	34,884	139,538	-	-
Other creditors	3,175,000	3,325,000	3,175,000	3,325,000
	<u>12,869,024</u>	<u>10,592,426</u>	<u>5,726,818</u>	<u>6,409,963</u>

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CARTOR HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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23. Loans

Analysis of the maturity of loans is given below:

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
<b>Amounts falling due within one year</b>				
Bank loans	<b>1,812,607</b>	<b>1,357,708</b>	<b>526,270</b>	<b>508,569</b>
	<b>1,812,607</b>	<b>1,357,708</b>	<b>526,270</b>	<b>508,569</b>
<b>Amounts falling due 2-5 years</b>				
Bank loans	<b>8,578,537</b>	<b>6,020,514</b>	<b>2,292,131</b>	<b>2,215,033</b>
	<b>8,578,537</b>	<b>6,020,514</b>	<b>2,292,131</b>	<b>2,215,033</b>
<b>Amounts falling due after more than 5 years</b>				
Bank loans	<b>1,080,603</b>	<b>1,107,374</b>	<b>259,687</b>	<b>869,930</b>
	<b>1,080,603</b>	<b>1,107,374</b>	<b>259,687</b>	<b>869,930</b>
	<b>11,471,747</b>	<b>8,485,596</b>	<b>3,078,088</b>	<b>3,593,532</b>



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

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**23. Loans (continued)**

Bank loans include, an amount of £Nil (2020 - 75,384) which is due in more than five years. The loan is repayable over a seven year term to September 2023 and carries interest at 2.4% per annum. The loan is secured by a charge over a Goebel Offset press. The aggregate amount of this loan at 30 September 2021 is £1,281,544 (2020 - £1,583,084).

Bank loans include, an amount of £87,790 (2020 - £162,060) which is due in more than five years. The loan is repayable over a ten year term to 2028 and carries interest at 1.55% per annum. The loan is secured over a property owned by the company. The aggregate amount of this loan at 30 September 2021 is £417,001 (2020 - £509,331).

Bank loans include, an amount of £259,687 (2020 - £869,930) which is due in more than five years. The loan is repayable over an eight year term and carries interest at 3.25% over LIBOR per annum. The loan is secured by a fixed and floating charge over the group assets of Cartor Holdings Limited. The aggregate amount of this loan at 30 September 2021 is £3,078,089 (2020 - £3,593,532).

Bank Loans include an amount of £110,646 (2020 – Nil) which is due in more than five years. The loan is repayable over a six year term to December 2026 and carries interest at 4.35% per annum. The loan is a Government CBIL so not secured on any assets in the company. The aggregate amount of this loan at 30th September 2021 is £2,000,000 (2020 – Nil).

Bank Loans include an amount of £533,239 (2020 – Nil) which is due in more than five years. The loan is repayable over a six year term to April 2027 and carries no interest charges. The loan is secured on two stamp converting lines. The aggregate amount of this loan at 30th September 2021 is £2,666,339 (2020 – Nil).

Bank Loans include an amount of £26,429 (2020 – Nil) which is due in more than five years. The loan is repayable over a seven year term to September 2027 and carries interest at 0.65% per annum. The loan is secured on a Sitma machine. The aggregate amount of this loan at 30th September 2021 is £158,573 (2020 – Nil).

Bank Loans include an amount of £62,812 (2020 – Nil) which is due in more than five years. The loan is repayable over a seven year term to October 2027 and carries interest at 0.65% per annum. The loan is secured on a Sitma collating machine. The aggregate amount of this loan at 30th September 2021 is £376,881 (2020 – Nil).

The remainder of the loans are repayable in under five years and are secured by a fixed and floating charge over the group assets of Cartor Holdings Limited.

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**CARTOR HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

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**24. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 2021 £</b>	<b>Group 2020 £</b>
Within one year	<b>104,653</b>	<b>104,653</b>
Between 1-5 years	<b>34,884</b>	<b>139,538</b>
	<b><u>139,537</u></b>	<b><u>244,191</u></b>

Leases are secured by a fixed and floating charge over all the group assets of Cartor Holdings Limited.

**25. Financial instruments**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<b><u>1,307,500</u></b>	<b><u>2,178,175</u></b>	<b><u>991,878</u></b>	<b><u>1,611,878</u></b>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b><u>(17,383,556)</u></b>	<b><u>(14,804,048)</u></b>	<b><u>(6,409,499)</u></b>	<b><u>(7,076,541)</u></b>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and group debtors.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, group creditors, other creditors and accruals.

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**CARTOR HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**26. Deferred taxation**

**Group**

	2021 £	2020 £
At beginning of year	(202,964)	(164,304)
Charged to profit or loss	(73,048)	(64,500)
Charged to other comprehensive income	84,000	25,840
<b>At end of year</b>	<b>(192,012)</b>	<b>(202,964)</b>

The provision for deferred taxation is made up as follows:

	Group 2021 £	Group 2020 £
Accelerated capital allowances	(952,078)	(493,023)
Tax losses carried forward	756,624	463,129
Defined benefit pension scheme	3,442	(173,070)
	<b>(192,012)</b>	<b>(202,964)</b>

**27. Share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
175,000 (2020 - 175,000) A Ordinary shares of £0.01 each	1,750	1,750

**28. Reserves**

**Profit and loss account**

The profit and loss reserve represents cumulative profits and losses, net of dividends paid and actuarial losses/gains on the defined benefit pension scheme.

**Merger relief reserve**

The merger relief reserve was created as part of a share for share exchange to facilitate the acquisition of the B&W Holdings Group.

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**CARTOR HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

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**29. Analysis of net debt**

	At 1 October 2020 £	Cash flows £	At 30 September 2021 £
Cash at bank and in hand	1,070,470	1,989,611	3,060,081
Bank overdrafts	(18,111)	18,111	-
Debt due after 1 year	(7,127,888)	(2,531,252)	(9,659,140)
Debt due within 1 year	(1,357,708)	(454,899)	(1,812,607)
Finance leases	(244,191)	104,654	(139,537)
	<u>(7,677,428)</u>	<u>(873,775)</u>	<u>(8,551,203)</u>

**30. Share based payments**

The Company has share options in issue under the Cartor Holdings Limited Enterprise Management Incentive Plan.

On 14 October 2019 the Company granted 8,044 options and on 6 December 2019 the Company granted 12,066 options, all at an exercise price of £2.33 per share, the options to be exercised within 10 years of issue.

The Directors have ascertained that the value of the share option to be £NIL.

During the year no options lapsed. As at 30 September 2021 20,110 share options remained in issue.

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## CARTOR HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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#### 31. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £107,501 (2020 - £106,291). Contributions totaling £13,766 (2020 - £13,207) were payable to the fund at the balance sheet date and are included in creditors.

The Group operates a Defined benefit pension scheme.

The scheme was established under an irrevocable Deed of Trust by Walsall Security Printers Limited for its employees and those of the subsidiary undertakings. The Deed determines the appointment of trustees to the fund. The scheme is now closed to new members. The scheme is managed by a corporate trustee accountable to the pension scheme members. The trustees of the fund are required to act in the best interests of the beneficiaries.

Pension benefits generally depend upon age, length of service and salary level. The company also provides retirees with at least five years of service and who are at least aged 55 with other post retirement benefits which include life insurance.

The latest full actuarial valuation of the defined benefit scheme was carried out at 31 March 2020 by Quattro Pensions, a qualified independent actuary. These results have been used and rolled forward to 30 September 2021 by Quattro Pensions, a qualified independent actuary on an FRS 102 basis.

On 26 October 2018 the High Court ruled that equalisation for the effect of unequal Guaranteed Minimum Pensions (GMPs) is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs". The Trustees and Company have yet to reach an agreement on how GMPs within the scheme are to be equalised. The exact cost of GMP equalisation is not yet known, it will depend on the approach adopted and the membership profile of the Scheme. In the 2019 figures an approximate allowance of 2% of the value of the liabilities at the valuation date was made, increasing the value of the liabilities by £123,000 and was recognised as an actuarial loss. The same approximate allowance has been used in calculating this years figures.

Contributions totaling £Nil (2020 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

**CARTOR HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**31. Pension commitments (continued)**

At 30 September 2021 the scheme surplus totalled £1,810,000. Having reviewed the scheme rules the directors do not believe that this surplus could be crystallised so that the Group can benefit from the asset in the near future. As such the surplus has not been recognised on the balance sheet at year end.

The note below summaries the total surplus per the latest actuary report.

Reconciliation of present value of plan liabilities:

	2021 £	2020 £
<b>Reconciliation of present value of plan liabilities</b>		
At the beginning of the year	6,349,000	6,285,000
Interest cost	119,000	130,000
Actuarial gains/losses	(529,000)	136,000
Benefits paid	(199,000)	(202,000)
<b>At the end of the year</b>	<b>5,740,000</b>	<b>6,349,000</b>

Reconciliation of present value of plan assets:

	2021 £	2020 £
At the beginning of the year	6,831,000	6,778,000
Current service cost	(68,000)	(41,000)
Interest income	129,000	146,000
Actuarial gains/losses	707,000	-
Contributions	150,000	150,000
Benefits paid	(199,000)	(202,000)
<b>At the end of the year</b>	<b>7,550,000</b>	<b>6,831,000</b>

Composition of plan assets:

	2021 £	2020 £
Equities and Property	3,942,000	3,191,000
Corporate Bonds (including annuities)	3,340,000	3,382,000
Cash and Other	268,000	258,000
<b>Total plan assets</b>	<b>7,550,000</b>	<b>6,831,000</b>

**CARTOR HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**31. Pension commitments (continued)**

	<b>2021 £</b>	<b>2020 £</b>
Fair value of plan assets	-	6,831,000
Present value of plan liabilities	-	(6,349,000)
<b>Net pension scheme liability</b>	<b>-</b>	<b>482,000</b>

The amounts recognised in the Statement of comprehensive income are as follows:

	<b>2021 £</b>	<b>2020 £</b>
Interest on obligation	-	(130,000)
Interest income on plan assets	-	146,000
Expenses paid	-	(41,000)
<b>Total</b>	<b>-</b>	<b>(25,000)</b>

The cumulative amount of actuarial gains and losses recognised in the Consolidated statement of comprehensive income was £4,332,000 (2020 - £4,814,000).

The Group expects to contribute £150,000 to its Defined benefit pension scheme in 2021/22.

Principal actuarial assumptions at the Statement of financial position date (expressed as weighted averages):

	<b>2021 %</b>	
Discount rate	<b>2.33</b>	1.90
Future salary increases	<b>3.80</b>	3.70
Future pension increases	<b>2.10</b>	1.70
Proportion of employees opting for early retirement	<b>3.52</b>	3.00
Inflation assumption	<b>2.92</b>	2.00
Mortality rates		
- for a male aged 65 now	<b>86.5</b>	85.2
- at 65 for a male aged 45 now	<b>88.8</b>	85.6
- for a female aged 65 now	<b>86.9</b>	87.1
- at 65 for a female member aged 45 now	<b>89.4</b>	87.7

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

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**CARTOR HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**32. Commitments under operating leases**

At 30 September 2021 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2021 £</b>	<b>Group 2020 £</b>
Not later than 1 year	<b>114,578</b>	<b>105,038</b>
Later than 1 year and not later than 5 years	<b>120,191</b>	<b>149,654</b>
	<b><u>234,769</u></b>	<b><u>254,692</u></b>

**33. Related party transactions**

Under paragraph 33.1A of FRS 102 'Related Party Disclosures', the company is exempt from the requirement to disclose transactions with subsidiaries that are part of the group on the grounds that all companies within the group are wholly owned by a parent undertaking and the consolidated financial statements of the parent company are publicly available.

Key management personnel are considered to be the Directors only. Directors' remuneration is disclosed in note 9.