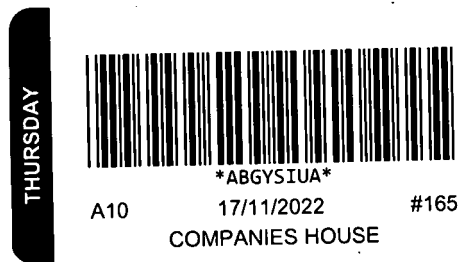


Company registration number 09899165 (England and Wales)

**THOMAS STOREY FABRICATIONS GROUP LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2022**



# THOMAS STOREY FABRICATIONS GROUP LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	D L Houghton J Atkinson A J Ramsdale
<b>Secretary</b>	Mr D L Houghton
<b>Company number</b>	09899165
<b>Registered office</b>	Stainburn Road Openshaw Manchester M11 2EB
<b>Auditor</b>	Bennett Verby Limited 7 St Petersgate Stockport Cheshire SK1 1EB

---

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## CONTENTS

---

	<b>Page</b>
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 24

---

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 JULY 2022

---

The directors present the strategic report for the year ended 31 July 2022.

During the year ended 31 July 2022, the Business recovered well from the Covid 19 Pandemic, demonstrating strong growth in revenues, profits and particularly in our workforce.

#### Fair review of the business

The financial results to July 2022 reflect a material improvement in turnover over the previous period and this, together with efficiency improvements and good cost control resulted in a strong return to profitability for the Business.

Turnover increased by circa 45% as demand from existing customers returned and new customers were secured and forecast turnover for the year to 31 July 2023 is predicted to expand further.

#### Research and development activities

During the period, the Business has further invested in manufacturing systems to improve workflow and operating efficiency whilst building our workforce. As always, we are proud of our processes investing in our people, systems and infrastructure, notably the focus on further developing a quality and customer focused ethos throughout the entire workforce.

#### Principal risks and uncertainties

The Company finances its operations through a mixture of retained profits, bank borrowings and trade credit from suppliers. Movements on interest rates and exchange rates can impact profitability. Banking facilities were renewed during the period, providing confidence as to our working capital position. However in relation to our statutory requirements, we state that a withdrawal of facilities or a failure to renew them as they expire could lead to a reduction in the trading ability of the Company.

The utilisation of working capital is closely monitored and regular cashflow forecasts are maintained. The Company utilises appropriate financial products to protect against currency risk and maintains relationships with several providers of finance to ensure that a comprehensive range of funding facilities is maintained. Financial key performance indicators.

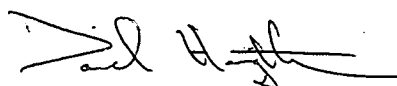
#### Key performance indicators

Measure		2022	2021
Turnover	£000's	15,431	10,741
Turnover growth	%	44%	14%
Gross margin	%	17%	16%
EBITDA	£000's	919	410

#### Future developments

The Directors intend to continue the process of investment in the workforce, quality systems and infrastructure of the Business. This is intended to provide a strong base from which to develop the existing customer base and attract new customers to the Business.

On behalf of the board



D L Houghton  
Director

10 November 2022

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 JULY 2022

---

The directors present their annual report and financial statements for the year ended 31 July 2022.

#### Principal activities

The principal activity of the company continued to be that of manufacture, sale and distribution of high quality steel fabrications to original equipment manufacturers (OEM's) in the earth moving, construction, agricultural, materials handling and specialist vehicle sectors.

#### Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £165,683. The directors do not recommend payment of a further dividend.

#### Directors

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

D L Houghton  
J Atkinson  
A J Ramsdale

#### Auditor

In accordance with the company's articles, a resolution proposing that Bennett Verby Limited be reappointed as auditor of the company will be put at a General Meeting.

#### Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 company will continue in business.

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

#### Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and research and development activities.

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED)

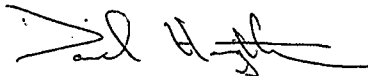
**FOR THE YEAR ENDED 31 JULY 2022**

---

### Statement of disclosure to auditor

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

On behalf of the board



D L Houghton  
**Director**

10 November 2022

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THOMAS STOREY FABRICATIONS GROUP LIMITED

---

#### Opinion

We have audited the financial statements of Thomas Storey Fabrications Group Limited (the 'company') for the year ended 31 July 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 company's affairs as at 31 July 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

#### Other information

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

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

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

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THOMAS STOREY FABRICATIONS GROUP LIMITED

---

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 floor cleaning machines sector;
- we focussed 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, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THOMAS STOREY FABRICATIONS GROUP LIMITED

---

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 whether they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- 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 and unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- 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;
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

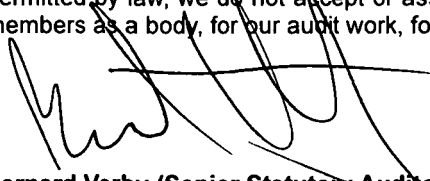
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

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



**Bernard Verby (Senior Statutory Auditor)**  
**For and on behalf of Bennett Verby Limited**  
**Chartered Certified Accountants**  
**Statutory Auditor**  
7 St Petersgate  
Stockport  
Cheshire  
SK1 1EB

10 November 2022

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JULY 2022

---

		2022	2021
	Notes	£	£
<b>Turnover</b>	<b>3</b>	15,430,907	10,740,844
Cost of sales		(12,834,808)	(8,974,702)
<b>Gross profit</b>		<u>2,596,099</u>	<u>1,766,142</u>
Distribution costs		(267,602)	(197,119)
Administrative expenses		(1,769,510)	(1,749,519)
Other operating income		155,343	345,004
<b>Operating profit</b>	<b>4</b>	<u>714,330</u>	<u>164,508</u>
Interest payable and similar expenses	<b>7</b>	(199,132)	(127,055)
<b>Profit before taxation</b>		<u>515,198</u>	<u>37,453</u>
Tax on profit	<b>8</b>	19,453	22,536
<b>Profit for the financial year</b>		<u><u>534,651</u></u>	<u><u>59,989</u></u>

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

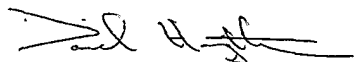
# THOMAS STOREY FABRICATIONS GROUP LIMITED

## BALANCE SHEET

AS AT 31 JULY 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10		24,534		30,667
Tangible assets	11		1,043,316		1,002,116
			<u>1,067,850</u>		<u>1,032,783</u>
<b>Current assets</b>					
Stocks	12	2,160,221		1,927,106	
Debtors	13	3,333,431		3,385,907	
Cash at bank and in hand		50,488		34,532	
			<u>5,544,140</u>		<u>5,347,545</u>
<b>Creditors: amounts falling due within one year</b>	14	(5,653,572)		(5,590,581)	
<b>Net current liabilities</b>			<u>(109,432)</u>		<u>(243,036)</u>
<b>Total assets less current liabilities</b>			<u>958,418</u>		<u>789,747</u>
<b>Creditors: amounts falling due after more than one year</b>	15		<u>(499,160)</u>		<u>(699,459)</u>
<b>Net assets</b>			<u><u>459,258</u></u>		<u><u>90,288</u></u>
<b>Capital and reserves</b>					
Called up share capital	19		20		18
Capital redemption reserve			6		6
Profit and loss reserves			459,232		90,264
<b>Total equity</b>			<u><u>459,258</u></u>		<u><u>90,288</u></u>

The financial statements were approved by the board of directors and authorised for issue on 10 November 2022 and are signed on its behalf by:



D L Houghton  
Director

Company Registration No. 09899165

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2022

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 August 2020</b>		18	6	69,925	69,949
<b>Year ended 31 July 2021:</b>					
Profit and total comprehensive income for the year		-	-	59,989	59,989
Dividends	9	-	-	(39,650)	(39,650)
<b>Balance at 31 July 2021</b>		18	6	90,264	90,288
<b>Year ended 31 July 2022:</b>					
Profit and total comprehensive income for the year		-	-	534,651	534,651
Issue of share capital	19	2	-	-	2
Dividends	9	-	-	(165,683)	(165,683)
<b>Balance at 31 July 2022</b>		20	6	459,232	459,258

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022		2021	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	24		672,168		(102,850)
Interest paid			(199,132)		(127,055)
Income taxes refunded			53,306		22,085
			<u>          </u>		<u>          </u>
<b>Net cash inflow/(outflow) from operating activities</b>			526,342		(207,820)
<b>Investing activities</b>					
Purchase of intangible assets		-		(30,667)	
Purchase of tangible fixed assets		(205,434)		(62,030)	
Proceeds on disposal of tangible fixed assets		9,000		-	
		<u>          </u>		<u>          </u>	
<b>Net cash used in investing activities</b>			(196,434)		(92,697)
<b>Financing activities</b>					
Proceeds from issue of shares		2		-	
Repayment of bank loans		(80,000)		(13,334)	
Payment of finance leases obligations		(138,927)		(84,121)	
Government grant income		70,656		325,477	
Dividends paid		(165,683)		(39,650)	
		<u>          </u>		<u>          </u>	
<b>Net cash (used in)/generated from financing activities</b>			(313,952)		188,372
<b>Net increase/(decrease) in cash and cash equivalents</b>			15,956		(112,145)
Cash and cash equivalents at beginning of year			34,532		146,677
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			50,488		34,532
			<u>          </u>		<u>          </u>

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

---

### 1 Accounting policies

#### Company information

Thomas Storey Fabrications Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is Stainburn Road, Openshaw, Manchester, M11 2EB.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

#### 1.2 Going concern

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

In light of the continuation of the COVID 19 pandemic, the directors have considered the financial position of the Company. Financial profit and cashflow forecasts have been produced reflecting levels of demand indicated by the customer base of the Business, these forecasts indicate strong profit and cashflow generation for the Company.

The Company received funding under the UK Government Coronavirus Business Interruption Loan Scheme "CBILS" in 2020 and is now meeting its commitments to service and paydown this borrowing and is meeting all other debt service obligations as they fall due.

The directors have undertaken stress testing of expected performance and in the light of this and the current trading position, consider that it is appropriate to adopt the going concern basis in the preparation of these accounts.

#### 1.3 Turnover

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

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

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

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

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 1 Accounting policies

(Continued)

#### 1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 3 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.6 Intangible fixed assets other than goodwill

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

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Intangible assets comprises an internally generated MStudio Shop Floor Data Collection App. This asset is defined as having a finite useful life and the cost is amortised on a straight line basis over its estimated useful lives of 5 years. Intangible assets are stated at cost less amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

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

App	5 years straight line
-----	-----------------------

#### 1.7 Tangible fixed assets

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

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

Leasehold improvements	9 years straight line
Plant and equipment	5 - 50% straight line
Fixtures and fittings	33% straight line
Computers	5 - 33% straight line
Motor vehicles	20% straight line

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

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

---

### 1 Accounting policies

(Continued)

#### 1.8 Impairment of fixed assets

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

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

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

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

#### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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

#### 1.10 Cash and cash equivalents

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

#### 1.11 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

---

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Other financial assets**

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

#### **Impairment of financial assets**

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

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

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

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

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

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

---

### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

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

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

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

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

### 1.12 Equity instruments

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

### 1.13 Taxation

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

#### **Current tax**

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

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

---

### 1 Accounting policies

(Continued)

#### 1.14 Employee benefits

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

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.16 Leases

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

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

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.17 Government grants

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

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

#### 1.18 Foreign exchange

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

### 2 Judgements and key sources of estimation uncertainty

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

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

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

#### 2 Judgements and key sources of estimation uncertainty

(Continued)

##### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### Estimated useful life and residual value of fixed assets

Depreciation of tangible fixed assets have been based on the estimated useful lives and residual values deemed appropriate by the directors. Estimated useful lives and residual values are reviewed annually and revised as appropriate. Revision takes into account estimated useful lives and residual values, as evidenced by disposals during current and prior accounting periods.

##### Impairment of debtors

The company makes an estimate of the recoverable value of trade debtors. When assessing the impairment of trade debtors, management consider factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

##### Warrenty provision

The warranty provision is based upon a percentage of sales of applicable products. The percentage applied is based upon historical experience and is reviewed on a regular basis by the directors.

#### 3 Turnover and other revenue

	2022	2021
	£	£
<b>Turnover analysed by class of business</b>		
Sale of goods	15,430,907	10,740,844
	<u>15,430,907</u>	<u>10,740,844</u>
	2022	2021
	£	£
<b>Turnover analysed by geographical market</b>		
UK	15,430,907	10,740,844
	<u>15,430,907</u>	<u>10,740,844</u>
	2022	2021
	£	£
<b>Other revenue</b>		
Grants received	70,656	325,477
	<u>70,656</u>	<u>325,477</u>

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	719	(3,707)
Research and development costs	58,331	89,035
Government grants	(70,656)	(325,477)
Fees payable to the company's auditor for the audit of the company's financial statements	9,000	8,000
Depreciation of owned tangible fixed assets	198,734	245,348
Profit on disposal of tangible fixed assets	(9,000)	-
Amortisation of intangible assets	6,133	-
Operating lease charges	415,960	400,000
	<u>415,960</u>	<u>400,000</u>

### 5 Employees

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

	2022	2021
	Number	Number
Production	107	103
Management staff	31	28
Total	<u>138</u>	<u>131</u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	4,095,389	3,211,536
Social security costs	383,160	302,361
Pension costs	139,423	185,718
	<u>4,617,972</u>	<u>3,699,615</u>

### 6 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	31,400	121,476
Company pension contributions to defined contribution schemes	8,425	24,681
	<u>39,825</u>	<u>146,157</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021 - 2).

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 7 Interest payable and similar expenses

	2022	2021
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	14,180	2,463
Interest on invoice finance arrangements	119,220	73,074
	<u>133,400</u>	<u>75,537</u>
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	56,729	49,477
Other interest	9,003	2,041
	<u>199,132</u>	<u>127,055</u>

### 8 Taxation

	2022	2021
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	(19,453)	(22,536)
	<u>(19,453)</u>	<u>(22,536)</u>

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

	2022	2021
	£	£
Profit before taxation	515,198	37,453
	<u>515,198</u>	<u>37,453</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	97,888	7,116
Tax effect of expenses that are not deductible in determining taxable profit	4,437	2,955
Tax effect of utilisation of tax losses not previously recognised	(68,346)	(18,968)
Permanent capital allowances in excess of depreciation	(33,979)	(3,942)
Research and development tax credit adjustment	(19,453)	(9,697)
	<u>(19,453)</u>	<u>(22,536)</u>
Taxation credit for the year	(19,453)	(22,536)
	<u>(19,453)</u>	<u>(22,536)</u>

### 9 Dividends

	2022	2021
	£	£
Final paid	165,683	39,650
	<u>165,683</u>	<u>39,650</u>

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 10 Intangible fixed assets

	Goodwill £	App £	Total £
<b>Cost</b>			
At 1 August 2021 and 31 July 2022	(670,356)	30,667	(639,689)
<b>Amortisation and impairment</b>			
At 1 August 2021	(670,356)	-	(670,356)
Amortisation charged for the year	-	6,133	6,133
At 31 July 2022	(670,356)	6,133	(664,223)
<b>Carrying amount</b>			
At 31 July 2022	-	24,534	24,534
At 31 July 2021	-	30,667	30,667

### 11 Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 August 2021	10,997	1,891,552	8,586	199,407	96,269	2,206,811
Additions	-	189,218	2,225	11,491	37,000	239,934
Disposals	-	-	-	-	(25,000)	(25,000)
At 31 July 2022	10,997	2,080,770	10,811	210,898	108,269	2,421,745
<b>Depreciation and impairment</b>						
At 1 August 2021	3,346	961,768	2,503	151,995	85,083	1,204,695
Depreciation charged in the year	1,220	158,622	1,593	19,031	18,268	198,734
Eliminated in respect of disposals	-	-	-	-	(25,000)	(25,000)
At 31 July 2022	4,566	1,120,390	4,096	171,026	78,351	1,378,429
<b>Carrying amount</b>						
At 31 July 2022	6,431	960,380	6,715	39,872	29,918	1,043,316
At 31 July 2021	7,651	929,784	6,083	47,412	11,186	1,002,116

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 11 Tangible fixed assets

(Continued)

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

	2022	2021
	£	£
Plant and equipment	302,706	356,125
Motor vehicles	25,875	-
	<u>328,581</u>	<u>356,125</u>

The total carrying amount of tangible fixed assets are pledged as security for the company's loans.

### 12 Stocks

	2022	2021
	£	£
Raw materials and consumables	819,288	558,861
Work in progress	872,368	1,156,263
Finished goods and goods for resale	468,565	211,982
	<u>2,160,221</u>	<u>1,927,106</u>

The total amount of stock is pledged as security for the company's loans.

### 13 Debtors

	2022	2021
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	3,210,607	3,110,090
Corporation tax recoverable	19,453	53,306
Other debtors	1,406	3,205
Prepayments and accrued income	101,965	219,306
	<u>3,333,431</u>	<u>3,385,907</u>

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

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

	Notes	2022 £	2021 £
Bank loans	16	80,000	80,000
Obligations under finance leases	17	164,103	148,231
Trade creditors		1,821,999	1,511,232
Taxation and social security		461,451	873,494
Other creditors		2,997,054	2,853,863
Accruals and deferred income		128,965	123,761
		<u>5,653,572</u>	<u>5,590,581</u>

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

	Notes	2022 £	2021 £
Bank loans and overdrafts	16	226,666	306,666
Obligations under finance leases	17	272,494	392,793
		<u>499,160</u>	<u>699,459</u>

### 16 Loans and overdrafts

	2022 £	2021 £
Bank loans	<u>306,666</u>	<u>386,666</u>
Payable within one year	80,000	80,000
Payable after one year	<u>226,666</u>	<u>306,666</u>

A bank loan of £306,666 (2021 £386,666) and other creditors of £2,862,792 (2021 £2,750,263) are secured via a debenture over the assets of the company, together with personal guarantees of the three directors for £70,000.

The bank loan is repayable in equal monthly instalments and attracts an interest rate of 3.69%.

### 17 Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Within one year	164,103	148,231
In two to five years	272,494	392,793
	<u>436,597</u>	<u>541,024</u>

Finance leases of £436,597 (2021 £541,024) are secured on the assets acquired under the leases.

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 18 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	139,423	185,718
	<u>139,423</u>	<u>185,718</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 19 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
A Ordinary shares of 10p each	61	61	6	6
B Ordinary shares of 10p each	120	120	12	12
C Ordinary shares of 10p each	20	-	2	-
	<u>201</u>	<u>181</u>	<u>20</u>	<u>18</u>

During the year the company allotted 20 10p ordinary C shares with a total nominal value of £2, at par.

All three classes of share are non redeemable and carry the right to vote, and to participate in dividends declared on that class of share and in distributions.

### 20 Operating lease commitments

#### Lessee

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

	2022	2021
	£	£
Within one year	202,021	401,229
Between two and five years	67,761	166,667
	<u>269,782</u>	<u>567,896</u>

### 21 Related party transactions

Administrative expenses include consultancy fees of £9,750 (2021: £32,500) payable to a director.

### 22 Directors' transactions

Dividends totalling £152,050 (2021 - £39,650) were paid in the year in respect of shares held by the company's directors.

# THOMAS STOREY FABRICATIONS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

#### 23 Government grants

During the year the company received non-repayable grants totalling £70,656 (2021 £325,477), consisting of £70,656 (2021 nil) under the Covid-19 Additional Relief Fund, nil (2021 £169,649) under the Coronavirus Job Retention Scheme, nil (2021 £87,500) under the Economic Growth Grant Scheme and nil (2021 £68,328) under the CBILS Loan Scheme. All these were recognised in the profit and loss account at the date of receipt.

The company also has a repayable loan of £306,666 (2021 £386,666) under the Coronavirus Business Interruption Loan Scheme.

#### 24 Cash generated from/(absorbed by) operations

	2022	2021
	£	£
Profit for the year after tax	534,651	59,989
<b>Adjustments for:</b>		
Taxation credited	(19,453)	(22,536)
Finance costs	199,132	127,055
Government grant income	(70,656)	(325,477)
Gain on disposal of tangible fixed assets	(9,000)	-
Amortisation and impairment of intangible assets	6,133	-
Depreciation and impairment of tangible fixed assets	198,734	245,348
<b>Movements in working capital:</b>		
Increase in stocks	(233,115)	(271,332)
Decrease/(increase) in debtors	18,623	(970,185)
Increase in creditors	47,119	1,054,288
<b>Cash generated from/(absorbed by) operations</b>	<u>672,168</u>	<u>(102,850)</u>

#### 25 Analysis of changes in net debt

	1 August 2021	Cash flows	New finance leases	31 July 2022
	£	£	£	£
Cash at bank and in hand	34,532	15,956	-	50,488
Borrowings excluding overdrafts	(386,666)	80,000	-	(306,666)
Obligations under finance leases	(541,024)	138,927	(34,500)	(436,597)
	<u>(893,158)</u>	<u>234,883</u>	<u>(34,500)</u>	<u>(692,775)</u>