

Company registration number 01629011 (England and Wales)

DULAS LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

DULAS LTD

COMPANY INFORMATION

Directors Mr. G T Evans
Mrs. R S Chapman
Mr. E O White
Mr. D G Roberts
Ms. R Munday (Appointed 28 November 2023)

Secretary Ms A Banton

Company number 01629011

Registered office Unit 1
Dyfi Eco Park
Machynlleth
Powys
United Kingdom
SY20 8AX

Auditor Azets Audit Services
Ty Derw, Lime Tree Court
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CF23 8AB

DULAS LTD

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DULAS LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Dulas Ltd Directors present the Strategic Report and Financial Statements for the year ended 31 December 2023.

Dulas Limited's core business is the provision of renewable energy products and services. Dulas is the 100% shareholder of Polestar Cooling Ltd, a specialist medical manufacturing facility based in the south of England. This report relates to the group of entities included in the consolidated reports.

The Company's Purpose and Aims

The purpose for which Dulas Ltd exists is to carry on business in accordance with cooperative principles, democratically controlled by its Members, for the benefit of society, and, in particular:-

- To ensure sustainable and rewarding employment for our employees;
- To serve the need of its customers by delivering high quality, appropriate, effective solutions and technical excellence; and
- To make a real contribution to improving people's lives and to the protection of the environment.

This purpose is captured in our company tagline – People, Purpose, Planet.

Dulas Mission Statement

We aim to be the Company of choice in the humanitarian and renewable energy sectors for customers, suppliers and employees alike, striving in all we do to deliver value and excellence. In so doing, Dulas intends to be a model of self-determining, responsible, sustainable and commercially successful business operations.

Polestar Cooling Ltd

Polestar Cooling Ltd is a wholly owned subsidiary of Dulas and was acquired to secure the long-term manufacturing capability for the production of the company's solar powered vaccine refrigerators. Polestar is a critical supply partner to Dulas as well as a number of other external companies who specialise in medical products. In January 2023 the previous owner retired as a Non-Executive Director and Andy Reedman, the company's Strategic and Commercial Lead, became an appointed Director.

Business Model

Dulas Ltd is a Co-operative. Every employee has the right to become a Member of the business after 18 months in employment. This gives the employee a right to a vote at Quarterly Business Meetings and Annual General Meetings on key strategic decisions along with access to potential dividends. Dulas is therefore Member governed and Member owned.

Dulas Ltd is managed by a Board of Directors (BoD) comprising the appointed Executive Managing Director, a Non-Executive Director and three Member Elected Directors.

Polestar Cooling Ltd is a separate limited company owned by Dulas. The BoD is formed by the existing Dulas Directors and the Polestar appointed Director.

DULAS LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Business Context

- At the end of 2022, an operational budget was agreed for 2023 that focussed on investment into resource and R&D, budgeting a small profit in comparison to the positive financial results of 2022,
- For the first half of 2023 the company was on track against budget. However, for the last 6 months of the year the company ran at a loss. There were a number of factors impacting this including:
 - Lower than expected orders from Unicef which was the result of delays to the main funding programme (CCEOP). Following countries focus on the covid vaccine roll-out there was a significant delay in eligible countries preparing and submitting their applications for routine immunization programmes,
 - A reduction in Gross Profit on the vaccine fridges, due to higher manufacturing costs and fixed framework agreed pricing,
 - A reduction in Gross Profit on Wind Monitoring projects. This was the result of delays in developers gaining planning permission and weather conditions hampering installations, particularly lattice towers,
 - Additional overheads exceeding budget, in particularly a significant increase in insurance costs due to inflation and additional cover requirements.
- Despite the challenges to the Dulas budget our manufacturing facility, Polestar Cooling, managed to deliver a profitable year end,
- During 2023 the Hydro department secured a design and new build project for a hydro scheme in Scotland,
- Due to Members commitment to working towards Net Zero the company recruited a Sustainability Project Manager. During 2023 we publicly reported our emissions via our Statutory Accounts, the Race2Zero pledge and via the UNS Sustainable Goal platform,
- Wind Monitoring entered into negotiations around an exclusivity partnership with a tilt up lattice manufacture. This will enable lattice projects to be installed quicker, with the same amount of resource,
- Members approved the purchase of a company's assets, on behalf of Polestar Cooling Ltd, to capitalise on an opportunity to own and sell a medical incubator range that had been manufactured by PSC for many years prior,
- Members approved the companies next three year strategy at the AGM in December, which focuses on growth in our key services through product acquisition and development.
- Despite the challenges of the second half of the year the groups balance sheet remains strong, whilst significant investment has been made.

Business Review

During 2023 the company has continued to achieve:

- Retention of key framework agreements and the addition of new framework agreements across all business streams,
- Continued company commitment to achieving Net Zero by 2050,
- High employee satisfaction demonstrated through the annual HSE Stress Questionnaire,
- Investment into R&D and new products,
- Strengthen the balance sheet and improve on the group's total equity,
- Develop a three-year growth strategy and undertake an acquisition in early 2024.

DULAS LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Our **Wind Monitoring** team remained extremely busy throughout 2023. The early-stage onshore wind development market remains very active in Wales and Scotland, and our reputation for delivering complex site work to extremely high Health and Safety standards means that we have retained and expanded framework agreements with many blue-chip companies. In addition to our met mast work we continued to expand our portfolio of Vaisala 'Windcube' Lidar products which we rent, sell, install, maintain and manage for clients across the UK. We continue to lead on projects which are complex, due to site terrain and the requirement for higher hub height measurements. During 2023 we identified and explored a new type of met mast, a tilt up lattice mast, with a new supplier. Following a period of due diligence, we entered into an exclusive agreement in early 2024 to supply and install these masts into the UK market. This will enable us to install masts within a shorter weather window, avoiding costly weather delays to clients.

The **Consultancy** team delivered a number of large-scale onshore wind and solar Environmental Impact Assessments as well as a body of technical consultancy projects. We continue to hold key framework agreements with all of the major developers and utilities and continue to be seen as a key supplier for Welsh based large scale onshore wind EIAs, due to our local knowledge and experience. We continued to advertise for further technical resource throughout the year, however the resource market remained challenging. However, additional resource has now been secured in 2024 and will enable us to take on additional projects.

The **Hydro Operations and Maintenance, Optimisation and Build** team continue to deliver pro-active and reactive maintenance work to a number of key clients in Wales and Scotland. In addition to these frameworks a number of optimisation projects were progressed in 2023, seeking to increase renewable energy generation from existing assets. The team also began work in late 2023 on a new build Hydro scheme in Scotland for a new client. As a result of securing this work we have expanded the Hydro construction team. The team also continue to sell our Aqua Shear Coanda product to developing hydro schemes internationally, mainly to the Nordic regions.

The **Solar International** team, who sell and export our solar powered vaccine fridges globally, experienced peaks and troughs in orders throughout the year. Whilst this pattern of procurement is not unusual, the main funding programme for cold chain equipment – CCEOP - experienced significant delays. Despite delays to the main funding programme, the team still secured a number of projects through other funding routes and customers. Heading into 2024, the team secured contracts with new countries, a result of our sales and marketing strategy to focus in on specific regions utilizing our in-country partner network.

Polestar Cooling

Polestar is an OEM (Original Equipment Manufacturer) business specialising in designing and building bespoke medical equipment. Due to the lumpy procurement ordering experienced by Dulas the vaccine fridge production line had to cope with peaks and troughs in demand throughout the year. Across other production lines the procurement profile from clients was also lumpy and this presented a number of challenges to managing resource, procurement and operations.

At the start of 2023 Polestar secured a Knowledge Transfer Partnership with the University of Sussex, funded by Innovate UK. This two year programme will seek to improve the performance of the vaccine fridges in high humidity environments as well as build a 3D model of the fridges for future R&D work.

With strong leadership in place a significant amount of work was carried out on the future strategy of the business. This strategy focuses on diversifying the current revenue and profit streams whilst continuing to support key customer OEM manufacturing and R&D requirements. The first step in that strategy was undertaken in early 2024 with the acquisition of a medical incubator business. Polestar were well placed to manage the integration of this business into its operations as they were already the OEM contractor for the products. Due to this acquisition a new commercial team has been secured for early 2024 to lead the sales and marketing activity for the business.

DULAS LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Financial Report

The Group financial result of 2023 reflects a challenging year of high costs, delayed procurement and lower gross profit. Despite the challenges the manufacturing facility was profitable, demonstrating a much stronger position than in 2022. Despite the Dulas loss making position the Groups Balance sheet has remained strong and significant investment has taken place across the Group to diversify the profit base and achieve long term growth.

Revenues

This year total consolidated revenues of £12.8m were achieved.

The consolidated Group numbers reflect the position that Dulas is the largest customer to Polestar.

Operating Results

Overall Gross Profit was £2.49m and post tax losses were £111k.

Net loss before tax was £185k.

Assets and Liabilities

The negative goodwill relates to the purchase of Polestar Cooling Ltd in mid-2020.

Stock levels are high at £2.6m and relate mainly to the Solar International/Polestar business. However this is lower than at the end of 2022.

Debtor levels are at £1.7m.

Cash at bank and in hand is healthy at £1.4m.

Net assets and total equity have increased to £4.42m (2022: £4.34m).

Dividends

No dividends were awarded during 2023.

Charity donations

During 2023 Dulas Ltd made charitable donations to numerous local, national and international charities of £9,205 via its charity group.

Strategy 2024-2026

Our existing three-year strategy (2021-2023) came to an end and a new three-year strategy was approved by Members for the Group. The overall group objective is to grow group profit through expansion and diversification of our products, markets and technical services. Unlocking the potential of our experience and expertise to deliver £2m of Net Profit by end 2026

DULAS LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Sustainability

In September 2021 the company made a public declaration to start the journey to becoming **Net Zero**. Following feedback from Members, recognizing our Company Purpose and Values, and following a mandate by the Board of Directors, we joined the '**United Nations Race to Zero Campaign**'. Through this scheme, which is both UN and UK gov driven, our commitment is as follows:

Recognising that climate change poses a threat to the economy, nature and society-at-large, our company commits to take action immediately in order to:

1. *Halve our greenhouse gas emissions before 2030*
2. *Achieve net zero emissions before 2050*
3. *Disclose our progress on a yearly basis*

In doing so, we are proud to be recognised by the United Nations Race to Zero campaign, and join governments, businesses, cities, regions, and universities around the world that share the same mission.

Our action plan to achieve Net Zero was approved by Members at the 2022 AGM. We recruited a Sustainability Project Manager in early 2023 who is leading on a number of projects focusing on our emissions under the Greenhouse Gas Protocols Scope 1 and 2 remit, with some Scope 3 emissions which includes our supply chain. We are also undertaking a specific project to understand the carbon impact of the manufacturing of our vaccine cabinets and our options for reducing this impact.

In addition to the above pledge, we continue to remain committed to **the UN Global Compact**. This pledge is supported by a raft of policies and procedures which support Human Rights, Environment and Anti-Corruption. For the first time in 2023 the pledge includes the requirement to disclose carbon emissions under Scope 1, 2 and 3 where possible.

On behalf of the board

Mrs. R S Chapman
Director

29 August 2024

DULAS LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and financial statements for the year ended 31 December 2023.

Principal activities

The principal activity of the company and group was the provision of renewable energy products and services.

Results and dividends

The results for the year are set out on page 13.

No ordinary dividends were paid. 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:

Mr. G T Evans
Mrs. R S Chapman
Mr. E O White
Mr. D G Roberts
Ms. R Munday

(Appointed 28 November 2023)

Auditor

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

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.

Directors Statement

During 2023 the Dulas Board of Directors continued the focus and strategy as agreed by Members at the 2020 AGM. This strategy continued to focus on the core areas of;

- Humanitarian Technology,
- Consultancy in Clean Energy,
- Operations, Monitoring and Maintenance of Clean Energy Technology Systems.

There was continued investment in;

- Solar powered vaccine fridge production and In-Country services for the international market,
- Wind Monitoring Services for the onshore and offshore wind market in the UK and Europe,
- Build, Optimisation, Operation and Maintenance services for the UK Hydro Market,
- Consultancy Services for renewable energy developers and the clean energy market in the UK and Republic of Ireland.

During 2023 Dulas developed a new three-year strategy to cover the 2024-2026 period which was approved at the December AGM by Dulas Members. This strategy is focussed on achieving growth through the expansion of products and services across the Life Sciences and Renewables sectors.

DULAS LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

During 2023 Dulas continued to be impacted by inflation costs, which continued to add cost to the business. In addition, this also impacted our Gross Profit margins as we were unable to pass all of the increased costs onto our customers. The second half of the year was impacted by delays in orders for vaccine fridges, affecting all manufacturers in the WHO accredited marketplace, which impacted both the Dulas and Polestar Cooling accounts.

Despite the challenges 2023 provided Dulas has achieved the following:

- Protected jobs throughout 2023 whilst recruiting an additional 4 employees,
- Supported employees throughout the period of high inflation with salary increments to match the significant rise in CPI,
- Undertook R&D activity and investment on the vaccine fridges through a Knowledge Transfer Partnership programme, via our manufacturing technical development team and via our renewables R&D team into new and enhanced products,
- Maintained our position as a trusted service provider to key blue-chip clients within the European Renewables and Clean Energy market and the International Humanitarian Aid markets,
- Developed and approved our growth strategy to increase profit through an expansion of our products and services,
- Progressed the growth strategy with an acquisition of company assets in early January 2024, securing a medical incubator business as part of our Life Sciences product expansion,
- Maintained a strong balance sheet despite a year end loss,
- Undertaken significant investment for future growth whilst maintaining a strong cash position and total equity position,
- Continued to reduce our total gross carbon emissions.

The fiscal result of these achievements has been a group turnover of £12.8m and Gross Profit of £2.49m (19%) with a loss before taxation of £185k.

Energy and carbon report

The group is not defined as large in the context of the Streamlined Energy & Carbon Reporting regulations and is not therefore required to report its emissions, energy consumption or energy efficiency activities. Notwithstanding, in 2021 Dulas Ltd made a public commitment to publishing information regarding the equivalent carbon emissions footprint in its annual audited accounts. This was done in the interests of transparency and to align with the company's core environmental values. The information was collected for Dulas Ltd only and in respect of scope 1 and scope 2 emissions (and Scope 3 only in respect of fuel used for company transport in employee-owned vehicles), as reliable data was available to establish these baselines. The company has an approved Net Zero Action Plan to drive progress to reducing its overall consumption.

Quantification and Reporting Methodology

Dulas Ltd has followed the HM Government Environmental Reporting Guidelines (SECR) for unquoted large companies and large LLPs and used the GHG Reporting Protocol Corporate Standard and relevant UK Government Conversion Factors for company reporting for each year listed.

DULAS LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 kWh	2022 kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year	322,553	348,017
<i>Emissions of CO2 equivalent</i>		
	2023 metric tonnes	2022 metric tonnes
Scope 1 - direct emissions		
- Gas combustion	10.38	10.76
- Fuel consumed for owned transport	37.72	44.49
	48.10	55.25
Scope 2 - indirect emissions		
- Electricity purchased	market based 2.46	2.30
	location based 13.61	10.73
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the	9.37	11.35
Total gross emissions	59.93	68.90
<i>Intensity ratio</i>		
Tonnes CO2e per MWh energy consumed	0.19	0.20
Tonnes CO2e per employee	0.71	0.85
Tonnes CO2e per million	5.12	5.84

Quantification and reporting methodology

Dulas has a Net Zero action plan in place to reduce emissions for Scope 1 and Scope 2 with a Sustainability Project Manager appointed to oversee the delivery. We continue to report our emissions and progress via the UN 'Race 2 Zero' campaign, via the United Nations Global Compact pledge and via our Statutory Accounts.

During 2023 we have focused on our transport emissions:

- We are working on reducing the amount we travel, and if we do need to, then re-thinking the way we do it,
- We launched our own travel carbon calculator to help staff make greener travel choices,
- Our first EV pool car has covered 8000 miles and saved us 2 tCO2e,
- We swapped the plane for the train when attending conferences in Europe.

We also developed new guidelines on sustainable and ethical procurement. These include new supplier assessment procedures which will allow us to understand their environmental commitments and performance. The aim is to work with our suppliers to reduce the carbon impact of our supply chain.

In order to assess the impact from our key supplier – Polestar Cooling Ltd - we used SAGE manufacturing to start to gather data to inform us of the carbon impact of manufacturing our vaccine fridges. Key component suppliers were engaged to gather further detailed information. During 2024 work is continuing on understanding the impact and exploring how this can be reduced.

DULAS LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

On behalf of the board

Mrs. R S Chapman
Director

29 August 2024

DULAS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DULAS LTD

Opinion

We have audited the financial statements of Dulas Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company 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 group's and the parent company's affairs as at 31 December 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent 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 group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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.

DULAS LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DULAS LTD

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 their 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 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, 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 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 parent 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.

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.

DULAS LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DULAS LTD

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Craig Yearsley FCCA (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

29 August 2024

**Chartered Accountants
Statutory Auditor**

Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

DULAS LTD

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Turnover	3	12,882,690	12,853,345
Cost of sales		(10,390,440)	(9,806,131)
Gross profit		<u>2,492,250</u>	<u>3,047,214</u>
Administrative expenses		(2,740,657)	(2,225,079)
Other operating income		66,650	115,147
Operating (loss)/profit	4	<u>(181,757)</u>	<u>937,282</u>
Interest receivable and similar income	7	5,412	-
Interest payable and similar expenses	8	(9,097)	(11,691)
(Loss)/profit before taxation		<u>(185,442)</u>	<u>925,591</u>
Tax on (loss)/profit	10	74,175	(160,221)
(Loss)/profit for the financial year		<u><u>(111,267)</u></u>	<u><u>765,370</u></u>

(Loss)/profit for the financial year is all attributable to the owners of the parent company.

DULAS LTD

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	£	£
(Loss)/profit for the year	(111,267)	765,370
Other comprehensive income		
Revaluation of tangible fixed assets	189,911	-
Total comprehensive income for the year	<u>78,644</u>	<u>765,370</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

DULAS LTD

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Goodwill	12		57,814		94,548
Negative goodwill	12		(241,171)		(482,344)
Net goodwill			(183,357)		(387,796)
Other intangible assets	12		133,599		125,846
Total intangible assets			(49,758)		(261,950)
Tangible assets	13		1,500,459		1,252,294
			1,450,701		990,344
Current assets					
Stocks	16	2,629,999		2,933,807	
Debtors	17	1,729,987		1,605,404	
Cash at bank and in hand		1,467,437		1,627,053	
		5,827,423		6,166,264	
Creditors: amounts falling due within one year	18	(2,572,439)		(2,447,512)	
Net current assets			3,254,984		3,718,752
Total assets less current liabilities			4,705,685		4,709,096
Creditors: amounts falling due after more than one year	21		(90,232)		(154,013)
Provisions for liabilities					
Deferred tax liability	22	186,195	(186,195)	205,545	(205,545)
Net assets			4,429,258		4,349,538
Capital and reserves					
Called up share capital	24		1,798		722
Revaluation reserve			318,693		131,074
Profit and loss reserves			4,108,767		4,217,742
Total equity			4,429,258		4,349,538

The financial statements were approved by the board of directors and authorised for issue on 29 August 2024 and are signed on its behalf by:

Mrs. R S Chapman
Director

DULAS LTD

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Goodwill	12		57,814		94,548
Other intangible assets	12		133,599		125,846
			<u>191,413</u>		<u>220,394</u>
Total intangible assets			191,413		220,394
Tangible assets	13		1,151,679		872,666
Investments	14		825,002		825,002
			<u>2,168,094</u>		<u>1,918,062</u>
Current assets					
Stocks	16	1,514,762		1,772,291	
Debtors	17	1,531,983		1,379,591	
Cash at bank and in hand		769,826		1,397,000	
		<u>3,816,571</u>		<u>4,548,882</u>	
Creditors: amounts falling due within one year	18	<u>(2,173,533)</u>		<u>(2,319,644)</u>	
Net current assets			1,643,038		2,229,238
Total assets less current liabilities			<u>3,811,132</u>		<u>4,147,300</u>
Creditors: amounts falling due after more than one year	21		(90,232)		(154,013)
Provisions for liabilities					
Deferred tax liability	22	127,546		139,525	
		<u>(127,546)</u>		<u>(139,525)</u>	
Net assets			<u>3,593,354</u>		<u>3,853,762</u>
Capital and reserves					
Called up share capital	24		1,798		722
Revaluation reserve			318,693		131,074
Profit and loss reserves			3,272,863		3,721,966
			<u>3,593,354</u>		<u>3,853,762</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £451,394 (2022 - £643,288 profit).

The financial statements were approved by the board of directors and authorised for issue on 29 August 2024 and are signed on its behalf by:

Mrs. R S Chapman
Director

Company Registration No. 01629011

DULAS LTD

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	Revaluation reserve	Profit and loss reserves	Total
Notes	£	£	£	£
Balance at 1 January 2022	1,798	133,192	3,518,254	3,653,244
Year ended 31 December 2022:				
Profit and total comprehensive income	-	-	765,370	765,370
Dividends	11	-	(68,000)	(68,000)
Transfers	-	(2,118)	2,118	-
Other movements	(1,076)	-	-	(1,076)
Balance at 31 December 2022	722	131,074	4,217,742	4,349,538
Year ended 31 December 2023:				
Loss for the year	-	-	(111,267)	(111,267)
Other comprehensive income:				
Revaluation of tangible fixed assets	-	189,911	-	189,911
Total comprehensive income	-	189,911	(111,267)	78,644
Transfers	-	(2,292)	2,292	-
Other movements	1,076	-	-	1,076
Balance at 31 December 2023	1,798	318,693	4,108,767	4,429,258

DULAS LTD

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	Revaluation reserve	Profit and loss reserves	Total
Notes	£	£	£	£
Balance at 1 January 2022	1,798	133,192	3,144,559	3,279,549
Year ended 31 December 2022:				
Profit and total comprehensive income for the year	-	-	643,289	643,289
Dividends	11	-	(68,000)	(68,000)
Transfers	-	(2,118)	2,118	-
Other movements	(1,076)	-	-	(1,076)
Balance at 31 December 2022	722	131,074	3,721,966	3,853,762
Year ended 31 December 2023:				
Profit for the year	-	-	(451,395)	(451,395)
Other comprehensive income:				
Revaluation of tangible fixed assets	-	189,911	-	189,911
Total comprehensive income	-	189,911	(451,395)	(261,484)
Transfers	-	(2,292)	2,292	-
Other movements	1,076	-	-	1,076
Balance at 31 December 2023	1,798	318,693	3,272,863	3,593,354

DULAS LTD

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	28		426,782		518,293
Interest paid			(9,097)		(11,691)
Income taxes (paid)/refunded			(54,826)		38,477
Net cash inflow from operating activities			<u>362,859</u>		<u>545,079</u>
Investing activities					
Purchase of intangible assets		(88,173)		(103,543)	
Proceeds from disposal of intangibles		-		19,592	
Purchase of tangible fixed assets		(400,469)		(561,601)	
Proceeds from disposal of tangible fixed assets		37,802		8,703	
Repayment of loans		800		(800)	
Interest received		5,412		-	
Net cash used in investing activities			<u>(444,628)</u>		<u>(637,649)</u>
Financing activities					
Proceeds from issue of shares		1,076		(1,076)	
Repayment of borrowings		(48,466)		(47,506)	
Payment of finance leases obligations		(30,457)		(91,877)	
Dividends paid to equity shareholders		-		(68,000)	
Net cash used in financing activities			<u>(77,847)</u>		<u>(208,459)</u>
Net decrease in cash and cash equivalents			<u>(159,616)</u>		<u>(301,029)</u>
Cash and cash equivalents at beginning of year			<u>1,627,053</u>		<u>1,928,082</u>
Cash and cash equivalents at end of year			<u><u>1,467,437</u></u>		<u><u>1,627,053</u></u>

DULAS LTD

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	29		(99,295)		220,917
Interest paid			(9,097)		(11,691)
Income taxes (paid)/refunded			(17,781)		38,477
			<u> </u>		<u> </u>
Net cash (outflow)/inflow from operating activities			(126,173)		247,703
Investing activities					
Purchase of intangible assets		(88,173)		(103,543)	
Proceeds on disposal of intangibles		-		19,592	
Purchase of tangible fixed assets		(355,636)		(388,939)	
Proceeds on disposal of tangible fixed assets		20,655		8,703	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(423,154)		(464,187)
Financing activities					
Proceeds from issue of shares		1,076		(1,076)	
Repayment of borrowings		(48,466)		(47,506)	
Payment of finance leases obligations		(30,457)		(91,877)	
Dividends paid to equity shareholders		-		(68,000)	
		<u> </u>		<u> </u>	
Net cash used in financing activities			(77,847)		(208,459)
			<u> </u>		<u> </u>
Net decrease in cash and cash equivalents			(627,174)		(424,943)
Cash and cash equivalents at beginning of year			1,397,000		1,821,943
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			769,826		1,397,000
			<u> </u>		<u> </u>

DULAS LTD

COMPANY STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Judgements and key sources of estimation uncertainty

In the application of the group'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.

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.

Stock provision

Management estimation is required to determine a provision against items considered to be obsolete or those that are unlikely to achieve their carrying value when a sale is made. Stock is reviewed on a line by line basis to determine the required provision.

Warranty provisions

Management estimation is required in order to determine the value of warranty provision required against the relevant goods sold in the year. Historical warranty expenses are compared to prior sales to determine a ratio which is then applied to current period sales, along with reflection of known events, to determine the required provision.

2 Accounting policies

Company information

Dulas Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Unit 1, Dyfi Eco Park, Machynlleth, Powys, United Kingdom, SY20 8AX.

The group consists of Dulas Ltd and all of its subsidiaries.

2.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

DULAS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Accounting policies

(Continued)

2.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

2.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Dulas Ltd together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

2.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group 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.

DULAS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Accounting policies (Continued)

2.5 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.

2.6 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.

2.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business 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 4 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.

2.8 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.

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:

Development costs	33% on cost
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2.9 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.

DULAS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Accounting policies

(Continued)

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:

Freehold land and buildings	3% on cost
Leasehold land and buildings	20% straight line
Plant and equipment	7 - 33% on cost
Fixtures and fittings	7 - 33% on cost
Motor vehicles	7 - 33% on cost

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 recognised in the profit and loss account.

2.10 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

2.11 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

DULAS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Accounting policies

(Continued)

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.

2.12 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.

2.13 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.

2.14 Financial instruments

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

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

Basic financial assets

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

DULAS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Accounting policies

(Continued)

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 group 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 group 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.

DULAS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 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 group's contractual obligations expire or are discharged or cancelled.

2.15 Equity instruments

Equity instruments issued by the group 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 group.

2.16 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 group'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 if, and only if, there is 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.

DULAS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Accounting policies

(Continued)

2.17 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.

2.18 Retirement benefits

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

2.19 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 leased asset are consumed.

2.20 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.

2.21 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.

DULAS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3	Turnover and other revenue	2023	2022
		£	£
	Turnover analysed by class of business		
	Renewable energy products and services	12,882,690	12,853,345
		<u> </u>	<u> </u>
		2023	2022
		£	£
	Other significant revenue		
	Interest income	5,412	-
	Grants received	14,434	49,752
		<u> </u>	<u> </u>
		2023	2022
		£	£
	Turnover analysed by geographical market		
	UK	5,484,004	5,326,860
	Europe	372,040	200,549
	Rest of World	7,026,646	7,325,936
		<u> </u>	<u> </u>
		12,882,690	12,853,345
		<u> </u>	<u> </u>
4	Operating (loss)/profit	2023	2022
		£	£
	Operating (loss)/profit for the year is stated after charging/(crediting):		
	Exchange gains	(29,838)	(20,825)
	Government grants	(14,434)	(49,752)
	Depreciation of owned tangible fixed assets	248,363	185,136
	Depreciation of tangible fixed assets held under finance leases	49,926	-
	Loss/(profit) on disposal of tangible fixed assets	6,124	(8,703)
	Amortisation of intangible assets	(124,019)	(142,867)
	Operating lease charges	241,786	240,359
		<u> </u>	<u> </u>

DULAS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Directors	5	5	4	4
Technical & Administration	112	107	81	77
Total	<u>117</u>	<u>112</u>	<u>85</u>	<u>81</u>

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	3,110,974	2,548,199	2,114,083	1,732,750
Social security costs	294,662	269,041	199,894	186,188
Pension costs	253,366	216,754	224,146	197,015
	<u>3,659,002</u>	<u>3,033,994</u>	<u>2,538,123</u>	<u>2,115,953</u>

6 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	20,950	18,950
Audit of the financial statements of the company's subsidiaries	9,950	6,550
	<u>30,900</u>	<u>25,500</u>
For other services		
Taxation compliance services	<u>3,400</u>	<u>3,100</u>

DULAS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Interest receivable and similar income	2023	2022
	£	£
Interest income		
Interest on bank deposits	5,412	-
	<u>5,412</u>	<u>-</u>
	2023	2022
Investment income includes the following:	£	£
Interest on financial assets not measured at fair value through profit or loss	5,412	-
	<u>5,412</u>	<u>-</u>
8 Interest payable and similar expenses	2023	2022
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	6,013	7,488
Other finance costs:		
Interest on finance leases and hire purchase contracts	3,084	4,203
	<u>9,097</u>	<u>11,691</u>
Total finance costs	9,097	11,691
	<u>9,097</u>	<u>11,691</u>
9 Directors' remuneration	2023	2022
	£	£
Remuneration for qualifying services	228,092	215,566
Company pension contributions to defined contribution schemes	34,248	29,550
	<u>262,340</u>	<u>245,116</u>
	<u>262,340</u>	<u>245,116</u>
Remuneration disclosed above includes the following amounts paid to the highest paid director:		
	2023	2022
	£	£
Remuneration for qualifying services	100,678	101,522
Company pension contributions to defined contribution schemes	19,305	18,100
	<u>119,983</u>	<u>119,622</u>
	<u>119,983</u>	<u>119,622</u>

DULAS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	(54,825)	55,004
Deferred tax		
Origination and reversal of timing differences	(19,350)	105,217
Total tax (credit)/charge	<u>(74,175)</u>	<u>160,221</u>

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

	2023	2022
	£	£
(Loss)/profit before taxation	<u>(185,442)</u>	<u>925,591</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	(35,234)	175,862
Tax effect of expenses that are not deductible in determining taxable profit	11,956	(35,637)
Tax effect of income not taxable in determining taxable profit	-	(2,710)
Effect of change in corporation tax rate	(50,447)	49,331
Permanent capital allowances in excess of depreciation	88	-
Depreciation on assets not qualifying for tax allowances	(538)	-
Enhanced expenditure	-	(8,169)
Super deduction	-	(18,456)
Taxation (credit)/charge	<u>(74,175)</u>	<u>160,221</u>

11 Dividends

	2023	2022
	£	£
Recognised as distributions to equity holders:		
Final paid	-	49,950
Interim paid	-	18,050
	<u>-</u>	<u>68,000</u>

No ordinary dividends were paid in the year. The directors do not recommend payment of a further dividend.

DULAS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

12 Intangible fixed assets

Group	Goodwill	Negative goodwill	Development costs	Total
	£	£	£	£
Cost				
At 1 January 2023	330,609	(1,205,863)	828,743	(46,511)
Additions	-	-	88,173	88,173
At 31 December 2023	330,609	(1,205,863)	916,916	41,662
Amortisation and impairment				
At 1 January 2023	236,061	(723,519)	702,897	215,439
Amortisation charged for the year	36,734	(241,173)	80,420	(124,019)
At 31 December 2023	272,795	(964,692)	783,317	91,420
Carrying amount				
At 31 December 2023	57,814	(241,171)	133,599	(49,758)
At 31 December 2022	94,548	(482,344)	125,846	(261,950)
Company		Goodwill	Development costs	Total
		£	£	£
Cost				
At 1 January 2023		330,609	828,743	1,159,352
Additions		-	88,173	88,173
At 31 December 2023		330,609	916,916	1,247,525
Amortisation and impairment				
At 1 January 2023		236,061	702,897	938,958
Amortisation charged for the year		36,734	80,420	117,154
At 31 December 2023		272,795	783,317	1,056,112
Carrying amount				
At 31 December 2023		57,814	133,599	191,413
At 31 December 2022		94,548	125,846	220,394

DULAS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2023	280,600	36,218	1,627,557	158,996	127,124	2,230,495
Additions	-	-	270,775	1,148	128,546	400,469
Disposals	-	-	(17,147)	-	(31,819)	(48,966)
Revaluation	139,400	-	-	-	-	139,400
At 31 December 2023	<u>420,000</u>	<u>36,218</u>	<u>1,881,185</u>	<u>160,144</u>	<u>223,851</u>	<u>2,721,398</u>
Depreciation and impairment						
At 1 January 2023	42,093	17,204	753,016	125,790	40,098	978,201
Depreciation charged in the year	8,418	3,621	227,983	18,270	39,997	298,289
Eliminated in respect of disposals	-	-	(400)	-	(4,640)	(5,040)
Revaluation	(50,511)	-	-	-	-	(50,511)
At 31 December 2023	<u>-</u>	<u>20,825</u>	<u>980,599</u>	<u>144,060</u>	<u>75,455</u>	<u>1,220,939</u>
Carrying amount						
At 31 December 2023	<u>420,000</u>	<u>15,393</u>	<u>900,586</u>	<u>16,084</u>	<u>148,396</u>	<u>1,500,459</u>
At 31 December 2022	<u>238,507</u>	<u>19,014</u>	<u>874,541</u>	<u>33,206</u>	<u>87,026</u>	<u>1,252,294</u>

DULAS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Tangible fixed assets (Continued)

Company	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2023	280,600	1,203,737	147,460	125,209	1,757,006
Additions	-	227,090	-	128,546	355,636
Disposals	-	-	-	(31,819)	(31,819)
Revaluation	139,400	-	-	-	139,400
At 31 December 2023	420,000	1,430,827	147,460	221,936	2,220,223
Depreciation and impairment					
At 1 January 2023	42,093	681,245	122,011	38,991	884,340
Depreciation charged in the year	8,418	178,972	12,776	39,189	239,355
Eliminated in respect of disposals	-	-	-	(4,640)	(4,640)
Revaluation	(50,511)	-	-	-	(50,511)
At 31 December 2023	-	860,217	134,787	73,540	1,068,544
Carrying amount					
At 31 December 2023	420,000	570,610	12,673	148,396	1,151,679
At 31 December 2022	238,507	522,492	25,449	86,218	872,666

14 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	15	-	-	825,000	825,000
Unlisted investments		-	-	2	2
		-	-	825,002	825,002

Movements in fixed asset investments

Company	Shares in subsidiaries £	Other investments £	Total £
Cost or valuation			
At 1 January 2023 and 31 December 2023	825,000	2	825,002
Carrying amount			
At 31 December 2023	825,000	2	825,002
At 31 December 2022	825,000	2	825,002

DULAS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Address	Class of shares held	% Held Direct
Polestar Cooling Limited	United Kingdom	Ordinary	100.00
Chillwind Limited (Dormant)	United Kingdom	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

- Unit 6-7 Beeding Close, Bognor Regis, Sussex, England. PO22 9TS
- Unit 3 Site 6, Dalcross Industrial Estate, Inverness. IV2 7XB

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Polestar Cooling Limited	1,931,751	128,629

16 Stocks

	Group 2023 £	2022 £	Company 2023 £	2022 £
Work in progress	88,567	75,957	88,567	75,957
Finished goods and goods for resale	2,541,432	2,857,850	1,426,195	1,696,334
	<u>2,629,999</u>	<u>2,933,807</u>	<u>1,514,762</u>	<u>1,772,291</u>

17 Debtors

	Group 2023 £	2022 £	Company 2023 £	2022 £
Amounts falling due within one year:				
Trade debtors	891,728	876,990	714,877	703,840
Corporation tax recoverable	55,293	468	54,825	-
Amounts owed by group undertakings	-	-	62,223	20,947
Other debtors	367,984	331,718	367,984	330,918
Prepayments and accrued income	414,982	396,228	332,074	323,886
	<u>1,729,987</u>	<u>1,605,404</u>	<u>1,531,983</u>	<u>1,379,591</u>

DULAS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

18 Creditors: amounts falling due within one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Obligations under finance leases	20	46,136	61,278	46,136	61,278
Other borrowings	19	48,000	48,000	48,000	48,000
Trade creditors		537,844	511,385	383,633	345,330
Amounts owed to group undertakings		-	-	213,544	307,010
Corporation tax payable		-	54,826	-	54,826
Other taxation and social security		161,649	163,923	35,410	54,340
Other creditors		343,186	129,922	330,020	124,812
Accruals and deferred income		1,435,624	1,478,178	1,116,790	1,324,048
		<u>2,572,439</u>	<u>2,447,512</u>	<u>2,173,533</u>	<u>2,319,644</u>

19 Loans and overdrafts

	Group 2023 £	2022 £	Company 2023 £	2022 £
Other loans	<u>125,308</u>	<u>173,774</u>	<u>125,308</u>	<u>173,774</u>
Payable within one year	48,000	48,000	48,000	48,000
Payable after one year	<u>77,308</u>	<u>125,774</u>	<u>77,308</u>	<u>125,774</u>

The long-term loan is secured by fixed and floating charges over the assets of the company. The company has a commercial loan on which 2% interest per annum is charged.

20 Finance lease obligations

	Group 2023 £	2022 £	Company 2023 £	2022 £
Future minimum lease payments due under finance leases:				
Within one year	46,136	61,278	46,136	61,278
In two to five years	12,924	28,239	12,924	28,239
	<u>59,060</u>	<u>89,517</u>	<u>59,060</u>	<u>89,517</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. The average lease term is 2-3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

DULAS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 Creditors: amounts falling due after more than one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Obligations under finance leases	20	12,924	28,239	12,924	28,239
Other borrowings	19	77,308	125,774	77,308	125,774
		<u>90,232</u>	<u>154,013</u>	<u>90,232</u>	<u>154,013</u>

22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2023 £	Liabilities 2022 £
Group		
Accelerated capital allowances	231,091	214,684
Tax losses	(43,363)	-
Other short term timing differences	(1,533)	(9,139)
	<u>186,195</u>	<u>205,545</u>
	Liabilities 2023 £	Liabilities 2022 £
Company		
Accelerated capital allowances	171,324	147,967
Tax losses	(43,363)	-
Other short term timing differences	(415)	(8,442)
	<u>127,546</u>	<u>139,525</u>
	Group 2023 £	Company 2023 £
Movements in the year:		
Liability at 1 January 2023	205,545	139,525
Credit to profit or loss	(19,350)	(11,979)
	<u>186,195</u>	<u>127,546</u>

DULAS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

23 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	253,366	216,754

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24 Share capital

Group and company	2023	2022	2023	2022
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary A of £1 each	94	47	94	47
Ordinary B of £1 each	1,704	675	1,704	675
	<u>1,798</u>	<u>722</u>	<u>1,798</u>	<u>722</u>

Ordinary A shares carry full voting rights and must be sold back to the company at par once employment ceases.

Ordinary B shares carry full rights in respect of dividends and must be sold back to the company at par once employment ceases. They do not carry any voting rights.

25 Operating lease commitments

Lessee

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

	Group	2022	Company	2022
	2023	2022	2023	2022
	£	£	£	£
Within one year	92,374	64,433	92,374	64,433
Between two and five years	299,670	114,120	299,670	114,120
In over five years	356,667	164,000	356,667	164,000
	<u>748,711</u>	<u>342,553</u>	<u>748,711</u>	<u>342,553</u>

DULAS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023	2022
	£	£
Aggregate compensation	587,489	545,114

27 Controlling party

The company is controlled by its employees who in turn hold one voting share each. There is no ultimate controlling party of Dulas Limited.

28 Cash generated from group operations

	2023	2022
	£	£
(Loss)/profit for the year after tax	(111,267)	765,370
Adjustments for:		
Taxation (credited)/charged	(74,175)	160,221
Finance costs	9,097	11,691
Investment income	(5,412)	-
Loss/(gain) on disposal of tangible fixed assets	6,124	(8,703)
Amortisation and impairment of intangible assets	(124,019)	(142,867)
Depreciation and impairment of tangible fixed assets	298,289	185,136
Movements in working capital:		
Decrease/(increase) in stocks	303,808	(533,220)
(Increase)/decrease in debtors	(70,558)	520,110
Increase/(decrease) in creditors	194,895	(439,445)
Cash generated from operations	426,782	518,293

DULAS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

29 Cash (absorbed by)/generated from operations - company

	2023 £	2022 £
(Loss)/profit for the year after tax	(451,395)	643,289
Adjustments for:		
Taxation (credited)/charged	(103,849)	122,142
Finance costs	9,097	11,691
Loss/(gain) on disposal of tangible fixed assets	6,524	(8,703)
Amortisation and impairment of intangible assets	117,154	98,306
Depreciation and impairment of tangible fixed assets	239,355	148,905
Movements in working capital:		
Decrease/(increase) in stocks	257,529	(226,311)
(Increase)/decrease in debtors	(97,567)	547,545
Decrease in creditors	(76,143)	(1,115,947)
Cash (absorbed by)/generated from operations	<u>(99,295)</u>	<u>220,917</u>

30 Analysis of changes in net funds - group

	1 January 2023 £	Cash flows £	31 December 2023 £
Cash at bank and in hand	1,627,053	(159,616)	1,467,437
Borrowings excluding overdrafts	(173,774)	48,466	(125,308)
Obligations under finance leases	(89,517)	30,457	(59,060)
	<u>1,363,762</u>	<u>(80,693)</u>	<u>1,283,069</u>

31 Analysis of changes in net funds - company

	1 January 2023 £	Cash flows £	31 December 2023 £
Cash at bank and in hand	1,397,000	(627,174)	769,826
Borrowings excluding overdrafts	(173,774)	48,466	(125,308)
Obligations under finance leases	(89,517)	30,457	(59,060)
	<u>1,133,709</u>	<u>(548,251)</u>	<u>585,458</u>

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