

Gill Instruments Limited
Annual Report and Financial Statements
Year Ended 31 October 2022
Registration number: 02281574



Gill Instruments Limited

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Gill Instruments Limited

Strategic Report for the Year Ended 31 October 2022

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

Principal activity

The principal activity of the company is that of manufacturing meteorological electrical instruments.

Fair review of the business

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

The company turnover has increased to £12,001,594 in the year (2021: £10,147,445). The gross margin is 39% (2021: 36%).

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, including turnover and return on capital employed. These are monitored to ensure that they are within acceptable parameters.

The company's key financial and other performance indicators during the year were as follows:

Financial KPIs	Unit	2022	2021
Turnover	£	12,001,594	10,147,445
Turnover growth	%	18	12
Gross profit margin	%	39	36
Profit before tax	£	3,832,779	3,297,316


Principal risks and uncertainties

As for many businesses of our size, the business environment in which we operate continues to be challenging.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

Principal risks include failing to maintain technological development and, although the majority of sales and purchases are denominated in sterling, exposure to foreign currency exchange rate fluctuations and currency related supplier price increases.

Approved by the Board on ~~26.7.23~~ and signed on its behalf by:


.....
E D Phillips
Director

Gill Instruments Limited

Directors' Report for the Year Ended 31 October 2022

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

Directors of the company

The directors who held office during the year were as follows:

L H Gill

M J Gill

E D Phillips

M H Gill

Financial instruments

Objectives and policies

The business' principal financial instruments comprise bank balances, trade debtors, trade creditors and a portfolio of other financial asset investments. The main purpose of these instruments is to finance the business' operations.

The portfolio of other financial assets is managed to achieve a favourable rate of return, while also being readily convertible into cash should it be required.

Price risk, credit risk, liquidity risk and cash flow risk

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of available funds held by the company.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Research and development

The company will continue its policy of investment in research and development in order to retain a competitive position in the market.

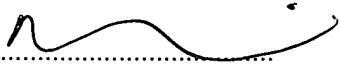
Gill Instruments Limited

Directors' Report for the Year Ended 31 October 2022

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 26.7.23 and signed on its behalf by:



.....
E D Phillips
Director

Gill Instruments Limited

Statement of Directors' Responsibilities

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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Gill Instruments Limited

Independent Auditor's Report to the Members of Gill Instruments Limited

Opinion

We have audited the financial statements of Gill Instruments Limited (the 'company') for the year ended 31 October 2022, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 October 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 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 director's 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 original financial statements were authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Gill Instruments Limited

Independent Auditor's Report to the Members of Gill Instruments Limited

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our 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 and the Directors' Report.

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

- adequate accounting records have not been kept, 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 Statement of Directors' Responsibilities set out on page 4, 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.

Gill Instruments Limited

Independent Auditor's Report to the Members of Gill Instruments Limited

Auditor's responsibilities for the audit of the financial statements

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

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

As part of our audit planning we obtained an understanding of the entity, its business operations, internal controls and the legal and regulatory framework that is applicable to Gill Instruments Limited. As part of this assessment process we enquired with management, reviewed the company's website, policies and procedures.

The key laws and regulations we identified are those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and tax legislation.

We discussed with management any instances, allegations or suspicions of fraud. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. Little was identified in the way of incentives as director's remuneration is not directly linked to revenue or GP% targets.

Based on our understanding of the entity, we designed our audit procedures to identify non-compliance with relevant laws and regulations. Our procedures involved the following:

- The risk of management override of controls was audited, including through using data analytics to test journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Review of legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

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

Gill Instruments Limited

Independent Auditor's Report to the Members of Gill Instruments Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.



.....
Daniel Tout FCA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Towngate House
2-8 Parkstone Road
Poole
Dorset
BH15 2PW

Date: 27/7/23

Gill Instruments Limited

Profit and Loss Account

Year Ended 31 October 2022

	Note	2022 £	2021 £
Turnover	3	12,001,594	10,147,445
Cost of sales		<u>(7,349,972)</u>	<u>(6,470,308)</u>
Gross profit		4,651,622	3,677,137
Administrative expenses		(695,522)	(668,963)
Other operating income		<u>4,000</u>	<u>12,283</u>
Operating profit	4	<u>3,960,100</u>	<u>3,020,457</u>
Income from other fixed asset investments		34,150	31,203
Other interest receivable and similar income		2,177	1,423
Gain on financial instruments at fair value through profit and loss account		<u>(163,648)</u>	<u>244,233</u>
		<u>(127,321)</u>	<u>276,859</u>
Profit before tax		3,832,779	3,297,316
Taxation	7	<u>(477,520)</u>	<u>(108,697)</u>
Profit for the financial year		<u><u>3,355,259</u></u>	<u><u>3,188,619</u></u>

The above results were derived from continuing operations.

Gill Instruments Limited

Balance Sheet

31 October 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	8	1,586,597	1,147,862
Current assets			
Stocks	10	2,596,820	1,811,793
Debtors	11	2,382,820	2,285,475
Other financial assets	9	1,589,871	1,782,279
Cash at bank and in hand		<u>2,441,658</u>	<u>5,683,079</u>
		9,011,169	11,562,626
Creditors: Amounts falling due within one year	12	<u>(1,311,209)</u>	<u>(812,269)</u>
Net current assets		<u>7,699,960</u>	<u>10,750,357</u>
Total assets less current liabilities		9,286,557	11,898,219
Provisions for liabilities		<u>(154,464)</u>	<u>(121,385)</u>
Net assets		<u>9,132,093</u>	<u>11,776,834</u>
Capital and reserves			
Called up share capital		1,000,000	1,000,000
Profit and loss account		<u>8,132,093</u>	<u>10,776,834</u>
Shareholders' funds		<u>9,132,093</u>	<u>11,776,834</u>

Approved and authorised by the Board on 26.7.23 and signed on its behalf by:



E D Phillips
Director

Company Registration Number: 02281574

Gill Instruments Limited

Statement of Changes in Equity

Year Ended 31 October 2022

	Share capital £	Profit and loss account £	Total £
At 1 November 2021	1,000,000	10,776,834	11,776,834
Profit for the year	-	3,355,259	3,355,259
Dividends	-	(6,000,000)	(6,000,000)
At 31 October 2022	<u>1,000,000</u>	<u>8,132,093</u>	<u>9,132,093</u>
	Share capital £	Profit and loss account £	Total £
At 1 November 2020	1,000,000	7,688,215	8,688,215
Profit for the year	-	3,188,619	3,188,619
Dividends	-	(100,000)	(100,000)
At 31 October 2021	<u>1,000,000</u>	<u>10,776,834</u>	<u>11,776,834</u>

Gill Instruments Limited

Statement of Cash Flows

Year Ended 31 October 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the year		3,355,259	3,188,619
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	104,395	78,294
Financial instrument net gains (losses) through profit and loss		163,648	(244,233)
Profit on disposal of tangible assets		(15,018)	(150)
Loss/(profit) from disposals of investments		19,262	(11,726)
Finance income		(36,327)	(32,626)
Income tax expense	7	477,520	108,697
		<u>4,068,739</u>	<u>3,086,875</u>
Working capital adjustments			
Increase in stocks	10	(785,027)	(466,311)
Increase in trade debtors	11	(97,345)	(301,674)
Increase in trade creditors	12	81,323	198,467
Cash generated from operations		<u>3,267,690</u>	<u>2,517,357</u>
Income taxes (paid)/received	7	<u>(26,824)</u>	<u>46,647</u>
Net cash flow from operating activities		<u>3,240,866</u>	<u>2,564,004</u>
Cash flows from investing activities			
Interest received		2,177	1,423
Acquisitions of tangible assets		(554,662)	(112,354)
Proceeds from sale of tangible assets		26,550	150
Proceeds from disposal of investments		43,648	41,653
Net cash flows from investing activities		<u>(482,287)</u>	<u>(69,128)</u>
Cash flows from financing activities			
Dividends paid		<u>(6,000,000)</u>	<u>(100,000)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(3,241,421)</u>	<u>2,394,876</u>
Cash and cash equivalents at 1 November		<u>5,683,079</u>	<u>3,288,203</u>
Cash and cash equivalents at 31 October		<u>2,441,658</u>	<u>5,683,079</u>

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Towngate House
2-8 Parkstone Road
Poole
Dorset
BH15 2PW

The principal place of business is:

Unit 600
Ampress Park
Lymington
Hampshire
SO41 8LW

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements have been prepared using British pound sterling and rounded to the nearest whole pound.

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2022

Key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made are noted below:

Stock provision – The company establishes a reliable estimate of obsolete stock. The carrying amount is £437,870 (2021 -£328,699).

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of the design, development and manufacturing of meteorological electrical instruments. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises turnover in the profit and loss account once the goods or services have been supplied to the customer.

Foreign currency transactions and balances

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2022

Depreciation

The directors consider that the freehold properties are maintained in such a state of repair that the residual value is at least equal to their net book value. As a result, the corresponding depreciation would not be material and therefore is not charged in the profit and loss account.

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	10%, 20% or 25% on cost
Furniture, fittings and equipment	10% or 20% on cost
Motor vehicles	25% on reducing balance
Land and buildings	Nil

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress 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. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2022

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the group is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Research and development

Research and development expenditure is written off as incurred in the profit and loss account.

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2022

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2022	2021
	£	£
Sale of goods	12,001,594	10,147,445
Bank interest receivable	2,177	1,423
Other income	4,000	12,283
	<u>12,007,771</u>	<u>10,161,151</u>

The analysis of the company's Turnover for the year by market is as follows:

	2022	2021
	£	£
UK	1,866,171	1,939,582
Rest of world	<u>10,135,423</u>	<u>8,207,863</u>
	<u>12,001,594</u>	<u>10,147,445</u>

4 Operating profit

Arrived at after charging/(crediting)

	2022	2021
	£	£
Depreciation expense	104,395	78,294
Foreign exchange losses	(63,045)	-
Operating lease expense - other	34,213	37,245
Profit on disposal of property, plant and equipment	(15,018)	(150)
Research and development	<u>1,472,951</u>	<u>1,435,979</u>

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2022

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022	2021
	£	£
Wages and salaries	2,675,975	2,385,144
Social security costs	251,642	206,802
Pension costs, defined contribution scheme	48,410	45,159
	<u>2,976,027</u>	<u>2,637,105</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2022	2021
	No.	No.
Other departments	<u>83</u>	<u>77</u>

6 Auditor's remuneration

	2022	2021
	£	£
Audit of the financial statements	<u>13,262</u>	<u>17,500</u>
Other fees to auditors		
All other non-audit services	<u>11,487</u>	<u>11,756</u>
	<u>11,487</u>	<u>11,756</u>

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2022

7 Taxation

Tax charged/(credited) in the profit and loss account

	2022 £	2021 £
Current taxation		
UK corporation tax	444,441	104,955
UK corporation tax adjustment to prior periods	-	(66,232)
	<u>444,441</u>	<u>38,723</u>
Deferred taxation		
Arising from origination and reversal of timing differences	<u>33,079</u>	<u>69,974</u>
Tax expense in the income statement	<u>477,520</u>	<u>108,697</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2021 - the same as the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	<u>3,832,779</u>	<u>3,297,316</u>
Corporation tax at standard rate	728,228	626,490
Effect of revenues exempt from taxation	(24,924)	(7,459)
Effect of expense not deductible in determining taxable profit (tax loss)	661	(588)
Effect of tax losses	-	(209,534)
Deferred tax expense relating to changes in tax rates or laws	7,939	29,132
Decrease in UK and foreign current tax from adjustment for prior periods	-	(66,232)
Tax decrease from effect of capital allowances and depreciation	(2,204)	(2,626)
Tax decrease from effect of adjustment in research and development tax credit	(232,180)	(243,632)
Other tax effects for reconciliation between accounting profit and tax expense (income)	-	(16,854)
Total tax charge	<u>477,520</u>	<u>108,697</u>

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2022

Deferred tax

Deferred tax assets and liabilities

2022

Accelerated tax depreciation

Liability
£

154,465

154,465

2021

Accelerated tax depreciation

Financial assets at fair value

Liability
£

51,060

70,325

121,385

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2022

8 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation					
At 1 November 2021	758,306	789,154	26,895	2,728,354	4,302,709
Additions	-	86,766	-	467,896	554,662
Disposals	-	-	(26,185)	(39,664)	(65,849)
At 31 October 2022	<u>758,306</u>	<u>875,920</u>	<u>710</u>	<u>3,156,586</u>	<u>4,791,522</u>
Depreciation					
At 1 November 2021	-	622,812	13,394	2,518,641	3,154,847
Charge for the year	-	34,881	1,969	67,545	104,395
Eliminated on disposal	-	-	(14,653)	(39,664)	(54,317)
At 31 October 2022	<u>-</u>	<u>657,693</u>	<u>710</u>	<u>2,546,522</u>	<u>3,204,925</u>
Carrying amount					
At 31 October 2022	<u>758,306</u>	<u>218,227</u>	<u>-</u>	<u>610,064</u>	<u>1,586,597</u>
At 31 October 2021	<u>758,306</u>	<u>166,342</u>	<u>13,501</u>	<u>209,713</u>	<u>1,147,862</u>

Included within the net book value of land and buildings above is £758,306 (2021 - £758,306) in respect of freehold land and buildings.

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2022

9 Other investments

	Financial assets at fair value through profit and loss £	Total £
Current financial assets		
Cost or valuation		
At 1 November 2021	1,782,279	1,782,279
Fair value adjustments	(163,648)	(163,648)
Profit on disposal of investments	(19,262)	(19,262)
Additions	34,150	34,150
Withdrawals	(43,648)	(43,648)
At 31 October 2022	<u>1,589,871</u>	<u>1,589,871</u>
Impairment		
At 1 November 2021	-	-
At 31 October 2022	-	-
Carrying amount		
At 31 October 2022	<u>1,589,871</u>	<u>1,589,871</u>
At 31 October 2021	<u>1,782,279</u>	<u>1,782,279</u>

10 Stocks

	2022 £	2021 £
Raw materials and consumables	2,515,614	1,782,751
Work in progress	<u>81,206</u>	<u>29,042</u>
	<u>2,596,820</u>	<u>1,811,793</u>

Impairment of stocks

- The amount of impairment loss included in profit or loss is £109,171 (2021 - £5,603).

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2022

11 Debtors

	2022 £	2021 £
Trade debtors	1,586,148	1,621,972
Other debtors	604,186	541,953
Prepayments	192,486	121,550
	<u>2,382,820</u>	<u>2,285,475</u>

12 Creditors

	2022 £	2021 £
Due within one year		
Trade creditors	591,438	663,457
Social security and other taxes	73,709	48,490
Outstanding defined contribution pension costs	10,687	8,487
Accrued expenses	191,302	65,379
Corporation tax liability	7 444,073	26,456
	<u>1,311,209</u>	<u>812,269</u>

13 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £48,410 (2021 - £45,159).

Contributions totalling £10,687 (2021 - £8,487) were payable to the scheme at the end of the year and are included in creditors.

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2022

14 Related party transactions

Transactions with directors

At the year end the directors owed the company £343,899 (2021 - £343,899). The loan is interest-free and repayable on demand.

Income and receivables from related parties

	Entities with joint control or significant influence £
2022	
Sale of goods	239,004
Receipt of services	369,470
	<u>608,474</u>
Amounts receivable from related party	<u>47,064</u>

	Entities with joint control or significant influence £
2021	
Sale of goods	207,544
Receipt of services	346,280
	<u>553,824</u>
Amounts receivable from related party	<u>45,046</u>

Expenditure with and payables to related parties

	Entities with joint control or significant influence £
2022	
Purchase of goods	48,242
Rendering of services	1,602,362
	<u>1,650,604</u>
Amounts payable to related party	<u>177,752</u>

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2022

	Entities with joint control or significant influence £
2021	
Purchase of goods	32,682
Rendering of services	1,553,577
	<u>1,586,259</u>
Amounts payable to related party	<u>189,503</u>

15 Parent and ultimate parent undertaking

The ultimate controlling party is Mr and Mrs Gill.

16 Share capital

Allotted, called up and fully paid shares

	No.	2022 £	No.	2021 £
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

17 Financial instruments

Categorisation of financial instruments

	2022 £	2021 £
Financial assets measured at fair value through profit or loss	<u>1,589,871</u>	<u>1,782,279</u>
	<u>1,589,871</u>	<u>1,782,279</u>

Financial assets measured at fair value

Investment portfolio

The portfolio of other financial assets is managed to achieve a favourable rate of return, while also being readily convertible into cash should it be required. The portfolio is managed externally and valuation reports are produced quarterly by the portfolio managers.

The fair value is £1,589,871 (2021 - £1,782,279) and the change in value included in profit or loss is £(163,648) (2021 - £244,233).