


COMPANY REGISTRATION NUMBER: NI028296

COMPANIES HOUSE
31 MAR 2023
BELFAST

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COMPANIES HOUSE

Walsin Limited
Financial Statements
31 March 2022

Walsin Limited

Financial Statements

Year ended 31 March 2022

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Walsin Limited

Strategic Report

Year ended 31 March 2022

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

Principal activities and review of the business

The principal activity of the company continued to be that of manufacturing and installation of architectural glazing systems. The directors present their report and financial statements for the year ended 31 March 2022.

Principal Risks and Uncertainties

The management of the business and the nature of the company's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business. The directors are of the opinion that a thorough risk management process is adopted which involves the formal review of all of the risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

Medium Business

There are risks associated with being a medium business. Businesses often have fixed cost bases which are difficult to rationalise during challenging periods without removing its ability to take full advantage when business opportunities arise. In addition, businesses with high value average sales tend to have small numbers of live clients at any one time which makes them vulnerable when planned projects are delayed or cancelled.

The directors are aware of these risks and accept they can be very difficult to manage. Costs are reviewed on a monthly basis and are carefully managed. Customer relationship management is under constant review.

Competition

The Company operates in a competitive market which can put pressure on prices and margins. The Company has countered this by offering tailored solutions to move the focus towards value for money and quality. Nevertheless, some customers will buy on price.

Internal Control

The Board is responsible for maintaining a sound system of internal controls to safeguard shareholders investment and the Company's assets.

The directors monitor the operation of the internal controls. The objective of the system is to safeguard the Company's assets, ensure proper accounting records are maintained and that the financial information used within the business and for publication is reliable. Any such system of internal control can only provide reasonable, but not absolute assurance, against material misstatement or loss.

Internal financial control procedures undertaken by the Board include:

- Review of monthly financial reports and monitoring performance
- Prior approval of all significant expenditure including all major investment decisions
- Review of continuing financing requirements.

The Board has reviewed the operation and effectiveness of the Company's system of internal control for the financial period and the period up to the date of approval of the financial statements.

Walsin Limited

Strategic Report *(continued)*

Year ended 31 March 2022

Interest Rate Risk

The Company has long term borrowings but no overdraft facility. The Company has strong bank balances and is covering the monthly loan repayments. Overall the directors consider the Company's exposure to interest rate risk to be small.

Liquidity Risk

The Company seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Other current asset investments are managed for this purpose. The procedures put in place to manage liquidity risk are operating satisfactorily.

Currency Risk

The Company's principal currency risk exposures are to the effect of Euro/Sterling exchange rates. The stability of the Euro/Sterling exchange rates and the relatively low levels of currency transactions means that the current level of currency risk is low. If this situation changes a more active approach to managing this risk may need to be taken.

Credit Risk

The credit risk arises from the collection of trade receivables. Procedures have been implemented for the collection of these trade receivables and these are reviewed monthly by the directors.

Post balance sheet events

There are no significant post balance sheet events.

Key Performance Indicators

The Directors believe that the Company has traded satisfactorily during the year whilst emerging from the Covid pandemic and this is reflected in reported reserves in excess of £3.5m and a cash balance of £1.6m at the year end. It had a strong forward Order Book and will witness a significant increase in Turnover and Profitability the following year as it enters new markets with new products and broadens its customer base.

This report was approved by the board of directors on 30 March 2023 and signed on behalf of the board by:



Neil Walker
Company Secretary

Registered office:
24 Pine Hill
Saintfield Road
Lisburn
BT27 5PL

Walsin Limited

Directors' Report

Year ended 31 March 2022

The directors present their report and the financial statements of the company for the year ended 31 March 2022.

Directors

The directors who served the company during the year were as follows:

Mr N Walker
Mr I Sinclair

Dividends

Particulars of dividends paid are detailed in noted 11 to the financial statements.

Disclosure of information in the strategic report

The directors present this report, Strategic report and the financial position of the company for the year ended 31 March 2022.

Directors' responsibilities statement

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

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

In preparing these financial statements, the directors are required to:

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

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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Walsin Limited

Directors' Report *(continued)*

Year ended 31 March 2022

This report was approved by the board of directors on 30 March 2023 and signed on behalf of the board by:



Neil Walker
Company Secretary

Registered office:
24 Pine Hill
Saintfield Road
Lisburn
BT27 5PL

Walsin Limited

Independent Auditor's Report to the Members of Walsin Limited

Year ended 31 March 2022

Opinion

We have audited the financial statements of Walsin Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Walsin Limited

Independent Auditor's Report to the Members of Walsin Limited *(continued)*

Year ended 31 March 2022

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. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

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

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

Walsin Limited

Independent Auditor's Report to the Members of Walsin Limited *(continued)*

Year ended 31 March 2022

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 the audit process we obtained an understanding of the legal and regulatory framework applicable to the entity, being FR102, Companies Act 2006 the UK taxation regime and compliance with regulations in relation to the Coronavirus Job Retention Scheme and the Coronavirus Business Interruption Scheme. In addition we assessed the risks of material fraud through enquiries with management and those charged with corporate governance and analytical procedures were used to assess any unusual or unexpected relationships. As with all organisations of this size, there remains an inherent difficulty in the detection of irregularities.

A further description of our responsibilities for the audit of financial statements is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Walsin Limited

Independent Auditor's Report to the Members of Walsin Limited *(continued)*

Year ended 31 March 2022

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



David Knox (Senior Statutory Auditor)

For and on behalf of
Johnston Graham Limited
Chartered accountants & statutory auditor
216/218 Holywood Road
Belfast
BT4 1PD

30 March 2023

Walsin Limited**Statement of Income and Retained Earnings****Year ended 31 March 2022**

| | Note | 2022 £ | 2021 £ |
|---|------|------------------|------------------|
| Turnover | 3 | 16,519,857 | 15,506,468 |
| Cost of sales | | 13,394,527 | 12,356,590 |
| Gross profit | | 3,125,330 | 3,149,878 |
| Administrative expenses | | 3,249,465 | 3,195,577 |
| Other operating income | | 189,647 | 262,505 |
| Operating profit | 4 | 65,512 | 216,806 |
| Other interest receivable and similar income | 8 | – | 1,040 |
| Interest payable and similar expenses | 9 | 61,582 | 26,347 |
| Profit before taxation | | 3,930 | 191,499 |
| Tax on profit | 10 | (145,300) | (97,026) |
| Profit for the financial year and total comprehensive income | | 149,230 | 288,525 |

All the activities of the company are from continuing operations.

Walsin Limited**Statement of Financial Position****31 March 2022**

| | Note | 2022 £ | 2021 £ |
|--|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 2,137,364 | 2,321,796 |
| Current assets | | | |
| Stocks | 13 | 731,724 | 189,621 |
| Debtors | 14 | 5,425,590 | 5,581,092 |
| Cash at bank and in hand | | 1,626,552 | 1,548,000 |
| | | <u>7,783,866</u> | <u>7,318,713</u> |
| Creditors: amounts falling due within one year | 15 | <u>5,251,602</u> | <u>4,345,099</u> |
| Net current assets | | <u>2,532,264</u> | <u>2,973,614</u> |
| Total assets less current liabilities | | 4,669,628 | 5,295,410 |
| Creditors: amounts falling due after more than one year | 16 | 783,905 | 1,327,657 |
| Provisions | | | |
| Taxation including deferred tax | 18 | <u>155,917</u> | <u>202,965</u> |
| Net assets | | <u>3,729,806</u> | <u>3,764,788</u> |

The statement of financial position
continues on the following page.

The notes on pages 16 to 21 form part of these financial statements.

Walsin Limited

Statement of Financial Position *(continued)*

31 March 2022

| | Note | 2022 £ | £ | 2021 £ |
|-----------------------------|------|-----------|-------------------------|-------------------------|
| Capital and reserves | | | | |
| Called up share capital | 22 | | 7,300 | 7,300 |
| Share premium account | 23 | | 6,057 | 6,057 |
| Revaluation reserve | 23 | | 139,528 | 139,528 |
| Capital redemption reserve | 23 | | 2,700 | 2,700 |
| Profit and loss account | 23 | | <u>3,574,221</u> | <u>3,609,203</u> |
| Shareholders funds | | | <u>3,729,806</u> | <u>3,764,788</u> |

These financial statements were approved by the board of directors and authorised for issue on 30 March 2023, and are signed on behalf of the board by:



Mr N Walker
Director



Mr I Sinclair
Director

Company registration number: NI028296

Walsin Limited

Statement of Cash Flows

Year ended 31 March 2022

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Cash flows from operating activities | | |
| Profit for the financial year | 149,230 | 288,525 |
| <i>Adjustments for:</i> | | |
| Depreciation of tangible assets | 345,849 | 287,894 |
| Government grant income | (96,040) | (204,083) |
| Other interest receivable and similar income | – | (1,040) |
| Interest payable and similar expenses | 61,582 | 26,347 |
| Loss on disposal of investment property | – | 13,945 |
| Tax on profit | (145,300) | (97,026) |
| Accrued income | (629,260) | (159,905) |
| <i>Changes in:</i> | | |
| Stocks | (542,103) | 192,782 |
| Trade and other debtors | 155,502 | (1,353,299) |
| Trade and other creditors | 1,285,762 | 1,384,293 |
| Cash generated from operations | <u>585,222</u> | <u>378,433</u> |
| Interest paid | (61,582) | (26,347) |
| Interest received | – | 1,040 |
| Tax received | <u>98,252</u> | <u>152,741</u> |
| Net cash from operating activities | <u>621,892</u> | <u>505,867</u> |
| Cash flows from investing activities | | |
| Purchase of tangible assets | (161,416) | (697,444) |
| Proceeds from sale of tangible assets | – | 41,055 |
| Net cash used in investing activities | <u>(161,416)</u> | <u>(656,389)</u> |
| Cash flows from financing activities | | |
| Proceeds from borrowings | (232,979) | 690,970 |
| Government grant income | 96,040 | 204,083 |
| Payments of finance lease liabilities | (60,772) | (26,253) |
| Dividends paid | (184,212) | (176,542) |
| Net cash (used in)/from financing activities | <u>(381,923)</u> | <u>692,258</u> |
| Net increase in cash and cash equivalents | 78,553 | 541,736 |
| Cash and cash equivalents at beginning of year | <u>1,548,000</u> | <u>1,006,264</u> |
| Cash and cash equivalents at end of year | <u>1,626,553</u> | <u>1,548,000</u> |

Walsin Limited

Accounting Policies

Year ended 31 March 2022

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss. The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Walsin Limited

Accounting Policies *(continued)*

Year ended 31 March 2022

Tangible assets

All fixed assets are initially recorded at cost, with the exception of property which is revalued in accordance with Financial Reporting Standard 15.

Revaluation gains are recognised in the statement of total recognised gains and losses except to the extent that they reverse revaluation losses on the same asset that were previously recognised in the profit and loss account, in which case they, too, are recognised in the profit and loss account, after adjusting for subsequent depreciation.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

| | | |
|-----------------------|---|-------------------------|
| Plant and machinery | - | 20% - 50% Straight line |
| Fixtures and fittings | - | 15% - 33% Straight line |
| Motor vehicles | - | 20% straight line |
| Property improvements | - | 10% straight line |

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Walsin Limited

Accounting Policies *(continued)*

Year ended 31 March 2022

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Walsin Limited

Notes to the Financial Statements

Year ended 31 March 2022

1. General information

The company is a private company limited by shares, registered in Northern Ireland. The address of the registered office is 24 Pine Hill, Saintfield Road, Lisburn, BT27 5PL.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Turnover

Turnover arises from:

| | 2022 | 2021 |
|----------------------------|-------------------|-------------------|
| | £ | £ |
| Sale of goods and services | <u>16,519,857</u> | <u>15,506,468</u> |

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

4. Operating profit

Operating profit or loss is stated after charging/crediting:

| | 2022 | 2021 |
|---|--------------|--------------|
| | £ | £ |
| Depreciation of tangible assets | 345,849 | 287,894 |
| Loss on disposal of investment property | – | 13,945 |
| Foreign exchange differences | <u>3,179</u> | <u>(209)</u> |

5. Auditor's remuneration

| | 2022 | 2021 |
|--|--------------|--------------|
| | £ | £ |
| Fees payable for the audit of the financial statements | <u>6,146</u> | <u>6,246</u> |

6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

| | 2022 | 2021 |
|------------------|-----------|-----------|
| | No. | No. |
| Production staff | <u>80</u> | <u>80</u> |

The aggregate payroll costs incurred during the year, relating to the above, were:

| | 2022 | 2021 |
|---------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 2,480,619 | 2,960,532 |
| Other pension costs | 195,152 | 191,284 |
| | <u>2,675,771</u> | <u>3,151,816</u> |

Walsin Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

7. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

| | 2022 | 2021 |
|--------------|----------------|----------------|
| | £ | £ |
| Remuneration | <u>103,997</u> | <u>103,611</u> |

8. Other interest receivable and similar income

| | 2022 | 2021 |
|---------------------------------------|----------|--------------|
| | £ | £ |
| Interest on cash and cash equivalents | <u>–</u> | <u>1,040</u> |

9. Interest payable and similar expenses

| | 2022 | 2021 |
|--|---------------|---------------|
| | £ | £ |
| Interest on obligations under finance leases and hire purchase contracts | 8,258 | 6,393 |
| Other interest payable and similar charges | <u>53,324</u> | <u>19,954</u> |
| | <u>61,582</u> | <u>26,347</u> |

10. Tax on profit

Major components of tax income

| | 2022 | 2021 |
|--|------------------|-----------------|
| | £ | £ |
| Current tax: | | |
| UK current tax income | (98,252) | (152,741) |
| Deferred tax: | | |
| Origination and reversal of timing differences | <u>(47,048)</u> | <u>55,715</u> |
| Tax on profit | <u>(145,300)</u> | <u>(97,026)</u> |

Reconciliation of tax income

The tax assessed on the profit on ordinary activities for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

| | 2022 | 2021 |
|--|------------------|------------------|
| | £ | £ |
| Profit on ordinary activities before taxation | <u>3,930</u> | <u>191,499</u> |
| Profit on ordinary activities by rate of tax | 747 | 36,385 |
| Effect of expenses not deductible for tax purposes | 1,070 | 2,982 |
| Effect of R & D expenditure | <u>(147,117)</u> | <u>(136,393)</u> |
| Tax on profit | <u>(145,300)</u> | <u>(97,026)</u> |

Walsin Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2022

11. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

| | 2022 £ | 2021 £ |
|-------------------------------------|----------------|----------------|
| Equity dividends on ordinary shares | <u>184,212</u> | <u>176,542</u> |

12. Tangible assets

| | Land and buildings £ | Plant and machinery £ | Fixtures and fittings £ | Motor improve- ments vehicles £ | Property improvements £ | Total £ |
|------------------------|----------------------------|-----------------------------|-------------------------------|--|-------------------------------|-------------------------|
| Cost | | | | | | |
| At 1 Apr 2021 | 200,000 | 1,097,606 | 284,402 | 17,500 | 1,856,431 | 3,455,939 |
| Additions | – | – | 32,723 | – | 128,693 | 161,416 |
| At 31 Mar 2022 | <u>200,000</u> | <u>1,097,606</u> | <u>317,125</u> | <u>17,500</u> | <u>1,985,124</u> | <u>3,617,355</u> |
| Depreciation | | | | | | |
| At 1 Apr 2021 | – | 672,784 | 229,054 | 12,527 | 219,777 | 1,134,142 |
| Charge for the year | – | 134,787 | 21,919 | 3,500 | 185,643 | 345,849 |
| At 31 Mar 2022 | <u>–</u> | <u>807,571</u> | <u>250,973</u> | <u>16,027</u> | <u>405,420</u> | <u>1,479,991</u> |
| Carrying amount | | | | | | |
| At 31 Mar 2022 | <u>200,000</u> | <u>290,035</u> | <u>66,152</u> | <u>1,473</u> | <u>1,579,704</u> | <u>2,137,364</u> |
| At 31 Mar 2021 | <u>200,000</u> | <u>424,822</u> | <u>55,348</u> | <u>4,973</u> | <u>1,636,654</u> | <u>2,321,797</u> |

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

| | Plant and machinery £ |
|-------------------------|-----------------------------|
| At 31 March 2022 | <u>–</u> |
| At 31 March 2021 | <u>38,375</u> |

13. Stocks

| | 2022 £ | 2021 £ |
|------------------|----------------|----------------|
| Work in progress | <u>731,724</u> | <u>189,621</u> |

Walsin Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

14. Debtors

| | 2022 | 2021 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 3,811,520 | 4,262,295 |
| Amounts owed by group undertakings | 1,000,000 | 1,000,000 |
| Prepayments and accrued income | 155,523 | 124,826 |
| Corporation tax repayable | 98,252 | 163,376 |
| Other debtors | 360,295 | 30,595 |
| | <u>5,425,590</u> | <u>5,581,092</u> |

15. Creditors: amounts falling due within one year

| | 2022 | 2021 |
|--|------------------|------------------|
| | £ | £ |
| Bank loans and overdrafts | 339,000 | 89,000 |
| Trade creditors | 4,290,577 | 2,332,191 |
| Accruals and deferred income | 431,548 | 1,060,808 |
| Social security and other taxes | 129,704 | 802,328 |
| Obligations under finance leases and hire purchase contracts | 60,773 | 60,772 |
| | <u>5,251,602</u> | <u>4,345,099</u> |

16. Creditors: amounts falling due after more than one year

| | 2022 | 2021 |
|--|----------------|------------------|
| | £ | £ |
| Bank loans and overdrafts | 713,566 | 1,196,545 |
| Obligations under finance leases and hire purchase contracts | 70,339 | 131,112 |
| | <u>783,905</u> | <u>1,327,657</u> |

Bank loans and overdrafts are secured by way of mortgage debenture incorporating a fixed and floating charge over all company assets present and future including a legal charge over property situated at 2 Llewellyn Drive, Lisburn. Letters of guarantee to the value of £150,000 have been signed by Neil Walker and Ian Sinclair, directors of the company.

17. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

| | 2022 | 2021 |
|--|----------------|----------------|
| | £ | £ |
| Not later than 1 year | 60,773 | 60,772 |
| Later than 1 year and not later than 5 years | 70,339 | 131,112 |
| | <u>131,112</u> | <u>191,884</u> |

Walsin Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

18. Provisions

| | Deferred tax (note 19) £ |
|-------------------------|--------------------------------|
| At 1 April 2021 | 202,965 |
| Unused amounts reversed | <u>(47,048)</u> |
| At 31 March 2022 | <u>155,917</u> |

19. Deferred tax

The deferred tax included in the statement of financial position is as follows:

| | 2022 £ | 2021 £ |
|----------------------------------|----------------|----------------|
| Included in provisions (note 18) | <u>155,917</u> | <u>202,965</u> |

The deferred tax account consists of the tax effect of timing differences in respect of:

| | 2022 £ | 2021 £ |
|--------------------------------|----------------|----------------|
| Accelerated capital allowances | <u>155,917</u> | <u>202,965</u> |

20. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £195,152 (2021: £191,284).

21. Government grants

The amounts recognised in the financial statements for government grants are as follows:

| | 2022 £ | 2021 £ |
|---|---------------|----------------|
| Recognised in other operating income: | | |
| Government grants recognised directly in income | <u>96,040</u> | <u>204,083</u> |

22. Called up share capital

Issued, called up and fully paid

| | 2022 | | 2021 | |
|----------------------------|--------------|--------------|--------------|--------------|
| | No. | £ | No. | £ |
| Ordinary shares of £1 each | <u>7,300</u> | <u>7,300</u> | <u>7,300</u> | <u>7,300</u> |

Walsin Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

23. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Profit and loss account - This reserve records retained earnings and accumulated losses.

24. Analysis of changes in net debt

| | At 1 Apr 2021 | Cash flows | At 31 Mar 2022 |
|--------------------------|---------------|----------------|-----------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 1,548,000 | 78,552 | 1,626,552 |
| Debt due within one year | (149,772) | (250,001) | (399,773) |
| Debt due after one year | (1,327,657) | 543,752 | (783,905) |
| | <u>70,571</u> | <u>372,303</u> | <u>442,874</u> |

25. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed.