

Company registration number 01629011 (England and Wales)

**AMENDED  
DULAS LTD  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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# DULAS LTD

## COMPANY INFORMATION

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<b>Directors</b>	Mr. G T Evans Mrs. R S Chapman Mr. E O White Mr. D G Roberts
<b>Secretary</b>	Ms A Banton
<b>Company number</b>	01629011
<b>Registered office</b>	Unit 1 Dyfi Eco Park Machynlleth Powys United Kingdom SY20 8AX
<b>Auditor</b>	Azets Audit Services Ty Derw, Lime Tree Court Cardiff Gate Business Park Cardiff United Kingdom CF23 8AB

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# DULAS LTD

## CONTENTS

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	<b>Page</b>
Strategic report	1 - 5
Directors' report	6 - 9
Independent auditor's report	10 - 12
Profit and loss account	13
Group statement of comprehensive income	14
Group balance sheet	15
Company balance sheet	16
Group statement of changes in equity	17
Company statement of changes in equity	18
Group statement of cash flows	19
Company statement of cash flows	20
Notes to the financial statements	21 - 40

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# DULAS LTD

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The Dulas Ltd Directors present the Strategic Report and Financial Statements for the year ended 31 December 2022.

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 Limited 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 new 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 two 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 2022**

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### Business Context

- Following a challenging 2021, due to the impact of Brexit and Covid, 2022 was a more stable year for the business, despite the two main external challenges of raising inflation costs and resource constraints,
- The company had a strong start to 2022 thanks to a pipeline of orders secured at the back end of 2021 for Qtr1, particularly for vaccine fridge sales (SDDs). These sales ensured that production at Polestar remained consistent for the Dulas production line,
- Without any COVID restrictions the Renewables business streams returned to full capacity and saw higher demand from the industry for our range of technical services. Hiring into new positions to satisfy the demand proved difficult due to the availability of experienced resource in the marketplace,
- There was significant uncertainty at government level, with a number of changes at government leadership level,
- There was significant pressure on the manufacturing business from rising component and energy costs,
- The company made a one-off cost of living payment to all employees as a result of high inflation rises,
- A number of high level meetings were held with Welsh and UK Government representatives in relation to promoting the vaccine fridge exporting business,
- Meetings with key stakeholders were undertaken to discuss major contracts and frameworks, for example DCWW,
- Members approved the companies Net Zero Statement of Intent and Action Plan at the 2022 AGM. In order to drive forward our Net Zero ambitions we employed a Sustainability Project Manager,
- The budget setting process for 2023 was influenced by the high year end CPI figure, cost of components and significant energy costs (despite government intervention).

### Business Review

During 2022 the company has continued to achieve growth in its main business streams whilst developing new products and expertise in services to the renewable energy development market. The key activities completed included:

- Retention of key framework agreements and the addition of new framework agreements across all business streams,
- Development of prototype renewable energy products for the off grid/constraint grid marketplace,
- Delivery of technical consultancy into emerging markets such as Green Hydrogen,
- Continued company commitment to achieving Net Zero by 2050,
- Continued expansion of our premises in Bognor Regis for medical equipment manufacturing growth,
- Creation of a new Research and Development function in Mid-Wales, to drive forward work on our programme of innovation,
- High employee satisfaction demonstrated through the annual HSE Stress Questionnaire.

# DULAS LTD

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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Due to demand built up during the previous Covid lockdowns our **Wind Monitoring** team remained extremely busy throughout 2022. 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 Viasala 'Windcube' Lidar products which we rent, sell, install, maintain and manage for clients across the UK. In the last quarter of 2022 we delivered six bespoke remote power suppliers for one customer to support their wind monitoring campaign. We continue to lead on projects which are complex, due to site terrain and the requirement for higher hub height measurements and are well placed to pick up the demand for wind monitoring campaigns that has continued into 2023.

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 recruited an experienced Ecologist to broaden our Project Management team. This pipeline of projects has continued into 2023 and as a result we have been recruiting for additional experienced renewable energy planners and project managers. 2023 continues to see high levels of developer activity across renewables projects and we have secured a number of framework agreements in Wales focused on onshore wind development and technical energy assessments, including with the Welsh Government.

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 completed in 2022, seeking to increase renewable energy generation from existing assets. The team also secured some early stage design work for new Hydro schemes in Scotland and we expect these to progress to construction phase in late 2023 which we will Project Manage. As a result of securing this work we have expanded the team based in Stirling. The team also continue to sell our Aqua Sheer 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, had a successful year. During 2022 we retained and expanded a number of key framework agreements for our World Health Organisation accredited vaccine fridges. We exported our fridges to a range of countries in Africa as well as Yemen, Lebanon and Venezuela. As a result of a strategic decision to increase our visibility at government level we were invited to present at the UK Governments Board of Trade meeting, where we had the opportunity to showcase our products and discuss the challenges and opportunities we face in growing our exports. At the end of 2022 we secured a number of orders for delivery in Qtr1 and Qtr2 of 2023.

### **Polestar Cooling**

Polestar is an OEM (Original Equipment Manufacturer) business specialising in designing and building bespoke medical equipment. Due to the sales secured by Dulas in 2022 the vaccine cabinet production line remained busy throughout the year. Across other production lines the procurement profile from clients was lumpy, with businesses navigating the challenges of component cost and supply issues, energy costs and raising inflation. This presented a number of challenges. However, the factory was well placed to navigate these, despite the financial burden. The BoD for Dulas, as parent company, were clear that the manufacturing facility would be supported as required during this period of un-certainty. The 2023 budget continues to plan for these challenges, in particular high energy costs, which we expect to ease for 2024.

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 fridge's for future R&D work.

With strong leadership in place a significant amount of work has been done on the future strategy of the business and we expect this to be implemented during 2023. This will see the business diversify its revenue streams whilst continuing to support key customer OEM manufacturing and R&D requirements.

# DULAS LTD

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### Financial Report

The strong Group financial result of 2022 demonstrates our capacity to deliver profit across a wide range of business activities. Despite the challenges for the manufacturing facility, impacted by the global and regional context, the Groups profitability was up significantly from 2021 and we have entered 2023 with a strong order book. With a growth strategy in place across all business units we will be investing heavily into the business for 2023 and beyond, both with resource and a growth strategy.

### 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 £3m and post tax profits were £765k, up from the previous year.

Net profit before tax was £925k.

### Assets and Liabilities

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

Stock levels are high at £2.9m and relate mainly to the Solar International/Polestar business.

Debtor levels are at £1.6m.

Cash at bank and in hand is healthy at £1.6m.

Net assets and total equity have increased from 2022 to £4.35m (from £3.65m).

### Dividends

During 2022 Members approved a final total dividend of £49,950 on the 2021 accounts and the BoD awarded an interim total dividend, based on the 2022 accounts, of £18,050.

### Charity donations

During 2022 Dulas Ltd made charitable donations to numerous local, national and international charities of £16,650 via its charity group and Members committed to a further charity budget for 2023.

### Strategy 2023

Our existing three-year strategy (2021-2023) was updated and approved by Members at the December 2022 AGM. The key elements are as follows:

1. To focus on the core strengths of the renewables services across consultancy, development, and small hydro, whilst extending our capability in new areas such as LiDAR, Lattice towers, utility solar and battery energy storage,
2. Wind Monitoring - to meet the challenge of the trend for increasing turbine measurement heights and data reliability requirements,
3. Consultancy - to strengthen what we do well in the development phase of solar and wind projects within the UK and recover department revenues to pre-FIT levels,
4. Hydro - To focus the business towards opportunities on existing sites such as operations and maintenance, optimisation, refurbishment projects and the development of new technology,

# DULAS LTD

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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5. Solar International – to execute the agreed Technical Strategy focused on the short to medium priorities of reducing product cost, improving product reliability, adding value through the development of additional features and responding to stakeholder initiatives,

6. Solar International – to implement our Sales and Marketing plan focused on existing and new partners in our key territories,

7. Polestar – to create capacity through expansion and strengthen the technical team.

We have spent the early part of 2023 focused on strategy for 2024 and beyond. As a result we have a growth plan in place for all business streams, a new R&D strategy for the Vaccine Cabinet business and a growth plan in place for the manufacturing facility, to diversify the profit streams.

### 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:*

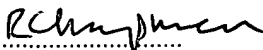
1. *Halve our greenhouse gas emissions before 2030*
2. *Achieve net zero emissions before 2050*
3. *Disclose our progress on a yearly basis*

*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 'Statement of Intent' and action plan to achieve Net Zero was approved by Members at the 2022 AGM. We recruited a Sustainability Project Manager in early 2023 who has calculated our emissions for 2022 and 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.

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. We will be submitting our emissions data for 2022 in Qtr4 2023.

On behalf of the board



Mrs. R S Chapman

Director

Date: 16.10.2023

# DULAS LTD

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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

#### 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.

Ordinary dividends were paid amounting to £68,000. 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

#### 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 2022 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 2022 Dulas also investment time and money into new Research and Development activities. Specifically, this included Member approval to establish an R&D Department, with two new R&D Engineers, which was successfully implemented in early 2023.

# DULAS LTD

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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Like most other businesses, Dulas was impacted by inflation costs, particularly high energy costs which put significant pressure on our manufacturing facility. In addition the cost of living crisis put pressure on the personal circumstances of our employees. There continued to be constraints around recruiting experienced technical resource and this impacted some areas of the business where there was additional demand for technical services which we were unable to fulfil.

Despite the challenges 2022 provided Dulas has achieved the following:

- Protected jobs throughout 2022 whilst recruiting an additional 15 employees,
- Supported employees throughout the period of high inflation with a one-off cost of living payment, a bonus at year end and an interim dividend based on 2022 accounts,
- Secured a Knowledge Transfer Partnership, through Innovate UK and in partnership with the University of Sussex, to drive forward a key area of R&D on our vaccine cabinets,
- Undertook R&D activity into new products and evolving Renewables markets,
- 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,
- Retained, developed and acquired further in-house skills whilst maintaining an efficient cost base to meet the requirements of the UK Renewables and clean energy market.

The fiscal result of these achievements has been a group turnover of £12.8m and Gross Profit of £3.0m (29%) with a profit before taxation of £925k.

#### **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 initiated an action plan to developing a methodology that will reliably capture the Scope 3 emissions which will depend on inputs across its range of industrial partners and 3rd party suppliers by year end of 2023.

#### **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 2022

<i>Energy consumption</i>	<b>2022</b>	<b>2021</b>
	<b>kWh</b>	<b>kWh</b>
Aggregate of energy consumption in the year	348,017	351,611
<hr/>		
<i>Emissions of CO2 equivalent</i>	<b>2022</b>	<b>2021</b>
	<b>metric tonnes</b>	<b>metric tonnes</b>
Scope 1 - direct emissions		
- Gas combustion	10.76	10.55
- Fuel consumed for owned transport	44.49	34.56
	<hr/>	<hr/>
	55.25	45.11
Scope 2 - indirect emissions		
- Electricity purchased	market based 2.30	2.53
	location based 10.73	11.69
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the	11.35	24.42
	<hr/>	<hr/>
Total gross emissions	68.90	72.06
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<i>Intensity ratio</i>		
Tonnes CO2e per MWh energy consumed	0.198	0.205
Tonnes CO2e per employee	0.851	0.901
Tonnes CO2e per million	5.840	7.665
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### *Quantification and reporting methodology*

Dulas now has a Net Zero action plan in place to reduce emissions for Scope 1 and Scope 2. Measures progressed include:

- Signing up to the 'UN Race 2 Zero' campaign,
- Reducing the company vehicle fleet of diesel vehicles and replacing with EV pool cars,
- Implementing an EV charging point at the headquarters and hosting the Machynlleth Community EV vehicle,
- Ensuring the company is using green tariffs,
- Fixing our single wind turbine for green energy generation,
- Reducing company mileage.

### *Intensity measurement*

Measures under consideration include:

- Extending our roof top PV array at the headquarters,
- Replacement of the boiler with a heat pump system,
- Developing a system for our top suppliers to make commitments to reducing emissions within our supply chain.

# DULAS LTD

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Measures taken to reduce emissions

Dulas now has a Net Zero action plan in place to reduce emissions for Scope 1 and Scope 2. Measures progressed include:

- Signing up to the 'UN Race 2 Zero' campaign,
- Reducing the company vehicle fleet of diesel vehicles and replacing with EV pool cars,
- Implementing an EV charging point at the headquarters and hosting the Machynlleth Community EV vehicle,
- Ensuring the company is using green tariffs,
- Fixing our single wind turbine for green energy generation,
- Reducing company mileage.

Measures under consideration include:

- Extending our roof top PV array at the headquarters,
- Replacement of the boiler with a heat pump system,
- Developing a system for our top suppliers to make commitments to reducing emissions within our supply chain.

#### Statement of directors' responsibilities

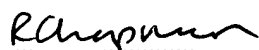
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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 financial statements;
- prepare the financial statements 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

Date: 16.10.2023

# DULAS LTD

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DULAS LTD

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### Opinion

We have audited the financial statements of Dulas Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 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 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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

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### **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

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### **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.

*Azets Audit Services*

**Craig Yearsley FCCA (Senior Statutory Auditor)**  
For and on behalf of Azets Audit Services

Date: 23/10/23

**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 2022

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	Notes	2022 £	2021 £
Turnover	3	12,853,345	10,694,836
Cost of sales		(9,806,131)	(8,165,687)
<b>Gross profit</b>		<b>3,047,214</b>	<b>2,529,149</b>
Administrative expenses		(2,225,079)	(2,000,477)
Other operating income		115,147	121,475
<b>Operating profit</b>	4	<b>937,282</b>	<b>650,147</b>
Interest payable and similar expenses	8	(11,691)	(8,070)
<b>Profit before taxation</b>		<b>925,591</b>	<b>642,077</b>
Tax on profit	9	(160,221)	(30,824)
<b>Profit for the financial year</b>		<b>765,370</b>	<b>611,253</b>

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 2022

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	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	765,370	611,253
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>765,370</u>	<u>611,253</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 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Goodwill	11		94,548		130,609
Negative goodwill	11		(482,344)		(723,517)
Net goodwill			(387,796)		(592,908)
Other intangible assets	11		125,846		104,140
Total intangible assets			(261,950)		(488,768)
Tangible assets	12		1,252,294		875,829
			990,344		387,061
<b>Current assets</b>					
Stocks	15	2,933,807		2,400,587	
Debtors	16	1,605,404		2,163,369	
Cash at bank and in hand		1,627,053		1,928,082	
		6,166,264		6,492,038	
<b>Creditors: amounts falling due within one year</b>	17	(2,447,512)		(2,861,664)	
<b>Net current assets</b>			3,718,752		3,630,374
<b>Total assets less current liabilities</b>			4,709,096		4,017,435
<b>Creditors: amounts falling due after more than one year</b>	20		(154,013)		(263,863)
<b>Provisions for liabilities</b>					
Deferred tax liability	21	205,545		100,328	
			(205,545)		(100,328)
<b>Net assets</b>			4,349,538		3,653,244
<b>Capital and reserves</b>					
Called up share capital	23		722		1,798
Revaluation reserve			131,074		133,192
Profit and loss reserves			4,217,742		3,518,254
<b>Total equity</b>			4,349,538		3,653,244

The financial statements were approved by the board of directors and authorised for issue on 11.10.23 and are signed on its behalf by:

  
.....  
Mrs. R S Chapman  
Director

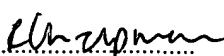
# DULAS LTD

## COMPANY BALANCE SHEET AS AT 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Goodwill	11		94,548		130,609
Other intangible assets	11		125,846		104,140
			<u>220,394</u>		<u>234,749</u>
Total intangible assets			220,394		234,749
Tangible assets	12		872,666		632,632
Investments	13		825,002		825,002
			<u>1,918,062</u>		<u>1,692,383</u>
<b>Current assets</b>					
Stocks	15	1,772,291		1,545,980	
Debtors	16	1,379,591		1,965,791	
Cash at bank and in hand		1,397,000		1,821,943	
		<u>4,548,882</u>		<u>5,333,714</u>	
<b>Creditors: amounts falling due within one year</b>	17	(2,319,644)		(3,410,298)	
<b>Net current assets</b>			<u>2,229,238</u>		<u>1,923,416</u>
<b>Total assets less current liabilities</b>			4,147,300		3,615,799
<b>Creditors: amounts falling due after more than one year</b>	20		(154,013)		(263,863)
<b>Provisions for liabilities</b>					
Deferred tax liability	21	139,525		72,387	
		<u>(139,525)</u>		<u>(72,387)</u>	
<b>Net assets</b>			<u>3,853,762</u>		<u>3,279,549</u>
<b>Capital and reserves</b>					
Called up share capital	23		722		1,798
Revaluation reserve			131,074		133,192
Profit and loss reserves			3,721,966		3,144,559
<b>Total equity</b>			<u>3,853,762</u>		<u>3,279,549</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 profit for the year was £643,288 (2021 - £229,489 profit).

The financial statements were approved by the board of directors and authorised for issue on 11.10.23 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 2022

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2021</b>		1,798	135,310	2,904,883	3,041,991
<b>Year ended 31 December 2021:</b>					
Profit and total comprehensive income for the year		-	-	611,253	611,253
Transfers		-	(2,118)	2,118	-
<b>Balance at 31 December 2021</b>		1,798	133,192	3,518,254	3,653,244
<b>Year ended 31 December 2022:</b>					
Profit and total comprehensive income for the year		-	-	765,370	765,370
Dividends	10	-	-	(68,000)	(68,000)
Transfers		-	(2,118)	2,118	-
Other movements		(1,076)	-	-	(1,076)
<b>Balance at 31 December 2022</b>		722	131,074	4,217,742	4,349,538

# DULAS LTD

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2021</b>		1,798	135,310	2,912,952	3,050,060
<b>Year ended 31 December 2021:</b>					
Profit and total comprehensive income for the year		-	-	229,489	229,489
Transfers		-	(2,118)	2,118	-
<b>Balance at 31 December 2021</b>		1,798	133,192	3,144,559	3,279,549
<b>Year ended 31 December 2022:</b>					
Profit and total comprehensive income for the year		-	-	643,289	643,289
Dividends	10	-	-	(68,000)	(68,000)
Transfers		-	(2,118)	2,118	-
Other movements		(1,076)	-	-	(1,076)
<b>Balance at 31 December 2022</b>		722	131,074	3,721,966	3,853,762

# DULAS LTD

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27	518,293		759,525	
Interest paid		(11,691)		(8,070)	
Income taxes refunded/(paid)		38,477		(107,250)	
<b>Net cash inflow from operating activities</b>		<b>545,079</b>		<b>644,205</b>	
<b>Investing activities</b>					
Purchase of intangible assets		(103,543)		(132,386)	
Proceeds on disposal of intangibles		19,592		-	
Purchase of tangible fixed assets		(561,601)		(471,240)	
Proceeds on disposal of tangible fixed assets		8,703		1,500	
Receipts arising from loans made		(800)		-	
<b>Net cash used in investing activities</b>		<b>(637,649)</b>		<b>(602,126)</b>	
<b>Financing activities</b>					
Proceeds from issue of shares		(1,076)		-	
Repayment of borrowings		(47,506)		(73,244)	
Payment of finance leases obligations		(91,877)		181,394	
Dividends paid to equity shareholders		(68,000)		-	
<b>Net cash (used in)/generated from financing activities</b>		<b>(208,459)</b>		<b>108,150</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(301,029)</b>		<b>150,229</b>	
Cash and cash equivalents at beginning of year		1,928,082		1,777,853	
<b>Cash and cash equivalents at end of year</b>		<b>1,627,053</b>		<b>1,928,082</b>	

# DULAS LTD

## COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26	220,917		798,554	
Interest paid		(11,691)		(8,070)	
Income taxes refunded/(paid)		38,477		(25,817)	
<b>Net cash inflow from operating activities</b>		<b>247,703</b>		<b>764,667</b>	
<b>Investing activities</b>					
Purchase of intangible assets		(103,543)		(132,386)	
Proceeds on disposal of intangibles		19,592		-	
Purchase of tangible fixed assets		(388,939)		(359,348)	
Proceeds on disposal of tangible fixed assets		8,703		1,500	
<b>Net cash used in investing activities</b>		<b>(464,187)</b>		<b>(490,234)</b>	
<b>Financing activities</b>					
Proceeds from issue of shares		(1,076)		-	
Repayment of borrowings		(47,506)		(73,244)	
Payment of finance leases obligations		(91,877)		181,394	
Dividends paid to equity shareholders		(68,000)		-	
<b>Net cash (used in)/generated from financing activities</b>		<b>(208,459)</b>		<b>108,150</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(424,943)</b>		<b>382,583</b>	
Cash and cash equivalents at beginning of year		1,821,943		1,439,360	
<b>Cash and cash equivalents at end of year</b>		<b>1,397,000</b>		<b>1,821,943</b>	

# DULAS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 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.

#### 1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, [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.

#### 1.2 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.

#### 1.3 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 2022. 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.

# DULAS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

---

### 1 Accounting policies

(Continued)

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.

#### 1.4 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.

#### 1.5 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.

#### 1.6 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.

#### 1.7 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.

# DULAS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

---

### 1 Accounting policies

(Continued)

#### 1.8 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
-------------------	-------------

#### 1.9 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.

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.

#### 1.10 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.

# DULAS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

---

### 1 Accounting policies

(Continued)

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.

#### 1.11 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.

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.

# DULAS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

---

### 1 Accounting policies

(Continued)

#### 1.12 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.

#### 1.13 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.

#### 1.14 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.

##### **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.

# DULAS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

---

### 1 Accounting policies

(Continued)

#### **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.

#### **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.

# DULAS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

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

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

#### **1.15 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.

#### **1.16 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.

#### **1.17 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.

#### **1.18 Retirement benefits**

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

# DULAS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

---

### 1 Accounting policies

(Continued)

#### 1.19 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.

#### 1.20 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.

#### 1.21 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.

### 2 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.

# DULAS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 3 Turnover and other revenue

	2022 £	2021 £
<b>Turnover analysed by class of business</b>		
Renewable energy products and services	12,828,249	10,694,836
	<u>                    </u>	<u>                    </u>
	2022 £	2021 £
<b>Other significant revenue</b>		
Grants received	49,752	99,835
	<u>                    </u>	<u>                    </u>
	2022 £	2021 £
<b>Turnover analysed by geographical market</b>		
UK	5,326,860	3,975,194
Europe	200,549	390,279
Rest of World	7,325,936	6,329,363
	<u>                    </u>	<u>                    </u>
	12,853,345	10,694,836
	<u>                    </u>	<u>                    </u>

### 4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(20,825)	166,802
Government grants	(49,752)	(99,835)
Depreciation of owned tangible fixed assets	135,210	128,346
Depreciation of tangible fixed assets held under finance leases	49,926	34,156
Profit on disposal of tangible fixed assets	(8,703)	(1,500)
Amortisation of intangible assets	(142,867)	(153,033)
Operating lease charges	240,359	209,641
	<u>                    </u>	<u>                    </u>

### 5 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Directors	5	5	4	4
Technical & Administration	107	104	77	76
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	112	109	81	80
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

# DULAS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 5 Employees (Continued)

Their aggregate remuneration comprised:

	<b>Group 2022</b>	<b>2021</b>	<b>Company 2022</b>	<b>2021</b>
	£	£	£	£
Wages and salaries	2,548,199	2,122,505	1,732,750	1,434,821
Social security costs	269,041	206,956	186,188	145,973
Pension costs	216,754	185,179	197,015	169,396
	<u>3,033,994</u>	<u>2,514,640</u>	<u>2,115,953</u>	<u>1,750,190</u>

### 6 Auditor's remuneration

	<b>2022</b>	<b>2021</b>
	£	£
Fees payable to the company's auditor and associates:		

#### For audit services

Audit of the financial statements of the group and company	18,950	15,403
Audit of the financial statements of the company's subsidiaries	6,550	-
	<u>25,500</u>	<u>15,403</u>

#### For other services

Taxation compliance services	3,100	-
	<u>3,100</u>	<u>-</u>

### 7 Directors' remuneration

	<b>2022</b>	<b>2021</b>
	£	£
Remuneration for qualifying services	215,566	197,369
Company pension contributions to defined contribution schemes	29,550	5,222
	<u>245,116</u>	<u>202,591</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	<b>2022</b>	<b>2021</b>
	£	£
Remuneration for qualifying services	<u>119,264</u>	<u>102,547</u>

# DULAS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 8 Interest payable and similar expenses

	2022	2021
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	7,488	6,564
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	4,203	1,506
Total finance costs	<u>11,691</u>	<u>8,070</u>

### 9 Taxation

	2022	2021
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	55,004	(32,577)
Adjustments in respect of prior periods	-	(5,431)
Total current tax	<u>55,004</u>	<u>(38,008)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>105,217</u>	<u>68,832</u>
Total tax charge	<u>160,221</u>	<u>30,824</u>

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

	2022	2021
	£	£
Profit before taxation	<u>925,591</u>	<u>642,077</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	175,862	121,995
Tax effect of expenses that are not deductible in determining taxable profit	(35,637)	9,778
Tax effect of income not taxable in determining taxable profit	(2,710)	-
Adjustments in respect of prior years	-	(5,947)
Effect of change in corporation tax rate	49,331	4,039
Permanent capital allowances in excess of depreciation	-	(45,823)
Enhanced expenditure	(8,169)	(2,217)
Super deduction	(18,456)	(19,432)
RDEC c/f not recognised	-	178
SME claim additional relief	-	(31,747)
Taxation charge	<u>160,221</u>	<u>30,824</u>

# DULAS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 10 Dividends

	2022	2021
	£	£
Recognised as distributions to equity holders:		
Final paid	49,950	-
Interim paid	18,050	-
	<u>68,000</u>	<u>-</u>

Dulas Ltd Members agreed a final dividend on 2021 accounts of £49,950.

### 11 Intangible fixed assets

Group	Goodwill	Negative goodwill	Development costs	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2022	330,609	(1,205,863)	746,767	(128,487)
Additions - internally developed	-	-	103,543	103,543
Transfers	-	-	(21,567)	(21,567)
At 31 December 2022	<u>330,609</u>	<u>(1,205,863)</u>	<u>828,743</u>	<u>(46,511)</u>
<b>Amortisation and impairment</b>				
At 1 January 2022	200,000	(482,346)	642,627	360,281
Amortisation charged for the year	36,061	(241,173)	62,245	(142,867)
Transfers	-	-	(1,975)	(1,975)
At 31 December 2022	<u>236,061</u>	<u>(723,519)</u>	<u>702,897</u>	<u>215,439</u>
<b>Carrying amount</b>				
At 31 December 2022	<u>94,548</u>	<u>(482,344)</u>	<u>125,846</u>	<u>(261,950)</u>
At 31 December 2021	<u>130,609</u>	<u>(723,517)</u>	<u>104,140</u>	<u>(488,768)</u>

# DULAS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 11 Intangible fixed assets

(Continued)

Company	Goodwill	Development costs	Total
	£	£	£
<b>Cost</b>			
At 1 January 2022	330,609	746,767	1,077,376
Additions - internally developed	-	103,543	103,543
Transfers	-	(21,567)	(21,567)
At 31 December 2022	330,609	828,743	1,159,352
<b>Amortisation and impairment</b>			
At 1 January 2022	200,000	642,627	842,627
Amortisation charged for the year	36,061	62,245	98,306
Transfers	-	(1,975)	(1,975)
At 31 December 2022	236,061	702,897	938,958
<b>Carrying amount</b>			
At 31 December 2022	94,548	125,846	220,394
At 31 December 2021	130,609	104,140	234,749

### 12 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 January 2022	280,600	36,218	1,228,168	153,107	89,316	1,787,409
Additions	-	-	477,760	5,889	77,952	561,601
Disposals	-	-	(78,371)	-	(40,144)	(118,515)
At 31 December 2022	280,600	36,218	1,627,557	158,996	127,124	2,230,495
<b>Depreciation and impairment</b>						
At 1 January 2022	33,674	14,488	682,840	114,002	66,576	911,580
Depreciation charged in the year	8,419	2,716	148,547	11,788	13,666	185,136
Eliminated in respect of disposals	-	-	(78,371)	-	(40,144)	(118,515)
At 31 December 2022	42,093	17,204	753,016	125,790	40,098	978,201
<b>Carrying amount</b>						
At 31 December 2022	238,507	19,014	874,541	33,206	87,026	1,252,294
At 31 December 2021	246,926	21,730	545,328	39,105	22,740	875,829

# DULAS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 12 Tangible fixed assets

(Continued)

Company	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2022	280,600	971,121	147,460	87,401	1,486,582
Additions	-	310,987	-	77,952	388,939
Disposals	-	(78,371)	-	(40,144)	(118,515)
At 31 December 2022	280,600	1,203,737	147,460	125,209	1,757,006
<b>Depreciation and impairment</b>					
At 1 January 2022	33,674	643,007	111,531	65,738	853,950
Depreciation charged in the year	8,419	116,609	10,480	13,397	148,905
Eliminated in respect of disposals	-	(78,371)	-	(40,144)	(118,515)
At 31 December 2022	42,093	681,245	122,011	38,991	884,340
<b>Carrying amount</b>					
At 31 December 2022	238,507	522,492	25,449	86,218	872,666
At 31 December 2021	246,926	328,114	35,929	21,663	632,632

### 13 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	14	-	-	825,000	825,000
Unlisted investments		-	-	2	2
		-	-	825,002	825,002

#### Movements in fixed asset investments

Company	Shares in subsidiaries £	Other investments £	Total £
<b>Cost or valuation</b>			
At 1 January 2022 and 31 December 2022	825,000	2	825,002
<b>Carrying amount</b>			
At 31 December 2022	825,000	2	825,002
At 31 December 2021	825,000	2	825,002

# DULAS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 14 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 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	1,803,122	(119,092)

### 15 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Work in progress	75,957	187,617	75,957	187,617
Finished goods and goods for resale	2,857,850	2,212,970	1,696,334	1,358,363
	<u>2,933,807</u>	<u>2,400,587</u>	<u>1,772,291</u>	<u>1,545,980</u>

### 16 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Amounts falling due within one year:</b>				
Trade debtors	876,990	1,522,492	703,840	1,378,192
Corporation tax recoverable	468	39,123	-	38,655
Amounts owed by group undertakings	-	-	20,947	-
Other debtors	331,718	317,021	330,918	317,021
Prepayments and accrued income	396,228	284,733	323,886	231,923
	<u>1,605,404</u>	<u>2,163,369</u>	<u>1,379,591</u>	<u>1,965,791</u>

# DULAS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Obligations under finance leases	19	61,278	90,811	61,278	90,811
Other borrowings	18	48,000	48,000	48,000	48,000
Trade creditors		511,385	725,176	345,330	521,954
Amounts owed to group undertakings		-	-	307,010	990,971
Corporation tax payable		54,826	-	54,826	-
Other taxation and social security		163,923	133,943	54,340	49,496
Other creditors		129,922	147,588	124,812	143,294
Accruals and deferred income		1,478,178	1,716,146	1,324,048	1,565,772
		<u>2,447,512</u>	<u>2,861,664</u>	<u>2,319,644</u>	<u>3,410,298</u>

### 18 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Other loans	<u>173,774</u>	<u>221,280</u>	<u>173,774</u>	<u>221,280</u>
Payable within one year	48,000	48,000	48,000	48,000
Payable after one year	<u>125,774</u>	<u>173,280</u>	<u>125,774</u>	<u>173,280</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.

### 19 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	61,278	90,811	61,278	90,811
In two to five years	28,239	90,583	28,239	90,583
	<u>89,517</u>	<u>181,394</u>	<u>89,517</u>	<u>181,394</u>

# DULAS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 14 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 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	1,803,122	(119,092)

### 15 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Work in progress	75,957	187,617	75,957	187,617
Finished goods and goods for resale	2,857,850	2,212,970	1,696,334	1,358,363
	<u>2,933,807</u>	<u>2,400,587</u>	<u>1,772,291</u>	<u>1,545,980</u>

### 16 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Amounts falling due within one year:</b>				
Trade debtors	876,990	1,522,492	703,840	1,378,192
Corporation tax recoverable	468	39,123	-	38,655
Amounts owed by group undertakings	-	-	20,947	-
Other debtors	331,718	317,021	330,918	317,021
Prepayments and accrued income	396,228	284,733	323,886	231,923
	<u>1,605,404</u>	<u>2,163,369</u>	<u>1,379,591</u>	<u>1,965,791</u>

# DULAS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Obligations under finance leases	19	28,239	90,583	28,239	90,583
Other borrowings	18	125,774	173,280	125,774	173,280
		<u>154,013</u>	<u>263,863</u>	<u>154,013</u>	<u>263,863</u>

### 21 Deferred taxation

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

Group	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	214,684	102,409
Tax losses	-	(1,143)
Other short term timing differences	(9,139)	(938)
	<u>205,545</u>	<u>100,328</u>

Company	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	147,967	74,468
Tax losses	-	(1,143)
Other short term timing differences	(8,442)	(938)
	<u>139,525</u>	<u>72,387</u>

Movements in the year:	Group 2022 £	Company 2022 £
Liability at 1 January 2022	100,328	72,387
Charge to profit or loss	105,217	67,138
	<u>205,545</u>	<u>139,525</u>

# DULAS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 22 Retirement benefit schemes

	2022	2021
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	216,754	185,179
	<u>216,754</u>	<u>185,179</u>

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.

### 23 Share capital

Group and company	2022		2021	
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary A of £1 each	47	94	47	94
Ordinary B of £1 each	675	1,704	675	1,704
	<u>722</u>	<u>1,798</u>	<u>722</u>	<u>1,798</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.

### 24 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		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	64,433	84,632	64,433	84,632
Between two and five years	114,120	47,859	114,120	47,859
In over five years	164,000	-	164,000	-
	<u>342,553</u>	<u>132,491</u>	<u>342,553</u>	<u>132,491</u>

### 25 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.

# DULAS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 26 Cash generated from operations - company

	2022	2021
	£	£
Profit for the year after tax	643,289	229,489
<b>Adjustments for:</b>		
Taxation charged	122,142	27,292
Finance costs	11,691	8,070
Gain on disposal of tangible fixed assets	(8,703)	(1,500)
Amortisation and impairment of intangible assets	98,306	88,140
Depreciation and impairment of tangible fixed assets	148,905	135,255
<b>Movements in working capital:</b>		
Increase in stocks	(226,311)	(431,607)
Decrease in debtors	547,545	1,166,766
Decrease in creditors	(1,115,947)	(423,351)
<b>Cash generated from operations</b>	<u>220,917</u>	<u>798,554</u>

### 27 Cash generated from group operations

	2022	2021
	£	£
Profit for the year after tax	765,370	611,253
<b>Adjustments for:</b>		
Taxation charged	160,221	30,824
Finance costs	11,691	8,070
Gain on disposal of tangible fixed assets	(8,703)	(1,500)
Amortisation and impairment of intangible assets	(142,867)	(153,033)
Depreciation and impairment of tangible fixed assets	185,136	162,502
<b>Movements in working capital:</b>		
Increase in stocks	(533,220)	(634,283)
Decrease in debtors	520,110	1,129,583
Decrease in creditors	(439,445)	(393,891)
<b>Cash generated from operations</b>	<u>518,293</u>	<u>759,525</u>

# DULAS LTD

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 28 Analysis of changes in net funds - group

	1 January 2022 £	Cash flows £	31 December 2022 £
Cash at bank and in hand	1,928,082	(301,029)	1,627,053
Borrowings excluding overdrafts	(221,280)	47,506	(173,774)
Obligations under finance leases	(181,394)	91,877	(89,517)
	<u>1,525,408</u>	<u>(161,646)</u>	<u>1,363,762</u>

### 29 Analysis of changes in net funds - company

	1 January 2022 £	Cash flows £	31 December 2022 £
Cash at bank and in hand	1,821,943	(424,943)	1,397,000
Borrowings excluding overdrafts	(221,280)	47,506	(173,774)
Obligations under finance leases	(181,394)	91,877	(89,517)
	<u>1,419,269</u>	<u>(285,560)</u>	<u>1,133,709</u>