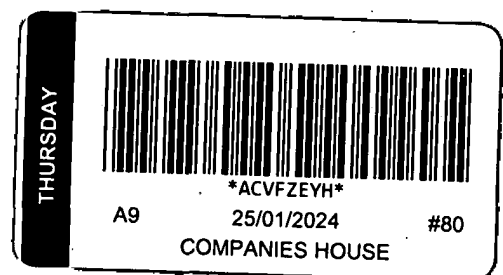


Registered Number: 01329173

JACK SEALEY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2023



JACK SEALEY LIMITED

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JACK SEALEY LIMITED

COMPANY INFORMATION

Directors

J L Sealey
P D Sealey
M Sweetman
T R Thompson
S G Buckle
R J Sealey
D N Riches
B J J Sealey
G S Dolman

Company secretary

P D Sealey

Registered number

01329173

Registered office

820 The Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

Independent auditor

SB Audit LLP
Chartered Accountants & Statutory Auditor
Fitzroy House
Crown Street
Ipswich
Suffolk
IP1 3LG

JACK SEALEY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2023

Principal activity

The Company's principal activity during the year continued to be the distribution of tools and machinery.

Business review

Turnover increased by 4.5% to £89,557,000 from £85,704,000 (as restated) when compared to the previous year.

Net profit before tax increased by 0.7% to £8,702,000 from £8,645,000, which was driven by an increase in sales volume. However, an increase in distribution costs, particularly in catalogue and advertising expenses dampened the growth in net profit.

Whilst the Company maintained relatively high stock levels to ensure excellent availability to customers, greater focus was placed on reviewing stock to ensure sufficient warehouse space continued to be available. This resulted in a reduction in stock of £5,638,000, from £44,084,000 at 30 April 2022 to £38,446,000 at 30 April 2023. This reduction did not adversely affect the first pick rate, which remained high at 99.6% (2022 – 99.3%).

Research and development

The Company intends to make a Research and Development claim in respect of relevant work undertaken during the year. This will include development of various aspects of the Enterprise Resource Planning (ERP) system along with its integration with other software.

Future developments and subsequent events

The principal strategic objective of the Company continues to be sustainable organic growth of the business to achieve and maintain a competitive advantage. This is driven by a policy of sourcing and developing quality and innovative new products, providing a consistently high standard of customer service, maintaining excellent stock availability, and investing in its workforce.

In May 2023, construction began on an extension to an existing property. The extension will include additional space for the marketing and quality control departments, along with more office and warehouse space to support the growth of the business into the future.

During the coming year, the Company intends to invest further in technology, both in its operations and in its supporting administration departments.

Principal risks and uncertainties

Business risk

The Directors regularly monitor the financial performance and position of the Company by reviewing monthly management accounts and key performance indicators.

Treasury and financial risk

The Company operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the Company's activities.

Other loans may also be used from time to time, the main purpose of which is to raise finance for the Company's operations. In addition, the Company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations.

JACK SEALEY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

Principal risks and uncertainties (continued)

Price risk

The Company carefully monitors all relevant raw material prices including packaging, as well as labour and shipping costs within its supply chain. This is essential as all these costs are always fluctuating and are key influencing factors on the Company's cost base.

Liquidity risk

The Company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, which is increasingly relevant due to the higher interest rates seen during the year. At the same time, the directors of the Company continually monitor liquidity to ensure that the Company has adequate resources to meet the ongoing operating needs of the business.

Interest rate risk

From time to time, the Company may be exposed to interest rate risk on its variable rate loans. In such instances the Company uses fixed interest rate derivatives when considered necessary in order to mitigate its exposure to changes in interest rates.

Foreign currency risk

The Company's principal foreign currency exposure arises from trading with overseas suppliers and customers. The Company's policy permits but does not demand that these exposures may be hedged in order to fix the cost in GBP. The hedging activity involves the use of forward foreign exchange contracts.

Credit risk

All customers who wish to trade on credit terms are subject to strict credit verification procedures. All trade debtors are reviewed on a regular basis by senior management and directors, and provision is made for doubtful debts where necessary.

Stock availability

The key non-financial performance indicator for the business is the first pick rate. This is based on the stock of main line items which are available for immediate delivery to customers. During the year, an average of 99.6% (2022 – 99.3%) was achieved, which remains one of the highest achieved within this business sector.

Section 172(1) statement

The Directors recognise their responsibility under section 172(1) of the Companies Act 2006 to promote the success of the Company for the benefit of its members and other stakeholders. This report identifies some of the Company's key stakeholders and explains how the Directors fulfil their responsibility to them.

Employees

Recruiting and retaining good employees is essential to the delivery of the strategy and future growth of the business. The Company strives to develop its people so that it can promote from within and provide long term and fulfilling careers for its employees, which is clearly evidenced in its current workforce.

JACK SEALEY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

Employees (continued)

The Directors aim to empower and engage employees throughout the business, by encouraging each to solve problems at their own level and providing training where relevant. The Company has recently implemented an updated 'Personal Development Review' process across the business, which allows an open discussion between employees and their line managers about their recent and future development.

Employees are encouraged to express their views on the Company's operations and future developments. Regular meetings are held between managers and employees to help facilitate a free flow of information and ideas. All significant developments within the business are communicated to employees by the directors, including via email, a monthly newsletter, noticeboards and online.

During the year, employee turnover reduced to 8.7% compared to 17.0% in the prior year.

Customers

The Directors recognise that the Company's customers are key to its continued success, therefore a high emphasis is placed on providing exceptional levels of customer service and on maintaining good relationships with customers.

The Directors actively engage with new and existing customers to understand their real and perceived needs. This has helped to drive various aspects of the Company's strategy and operations, including in customer service, providing quality and competitively priced products, maintaining good stock availability and in development of the product range.

Suppliers

The Company works closely with its suppliers, as it relies on them to provide products and services which meet stringent quality and performance requirements. Engagement is at an operational level on a day-to-day basis to ensure the Company's expectations are met from a quality and delivery perspective and at director level in relation to more strategic discussions.

The Directors ensure the Company interacts ethically with its suppliers and adheres to commercially agreed payment terms.

Our community and the environment

The Company is a significant local employer and large business therefore the Directors recognise it has an important role to play as an employer, neighbour and active participant in the local community. The Directors regularly meet with community leaders to maintain relationships and to ensure their views are considered.

The Company also recognises the need to operate responsibly in relation to the environment and natural resources. Therefore, it is committed to reducing its environmental impact as an integral part of its business strategy and operating methods.

During the year, the Company has continued to replace vehicles used by the sales team with hybrid vehicles to further reduce its carbon footprint. This is evidenced in the reduction in consumption in fuel for transport compared to last year, detailed in the following section.

Packaging has been identified as a way to reduce our environmental impact, therefore during the year a specialist team was employed to find the most effective and sustainable solutions for all packaging requirements.

JACK SEALEY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

Energy and carbon footprint regulations

The annual quantity of emissions (tonnes) of carbon dioxide equivalent, resulting from activities for which the Company is responsible are as follows:

- the combustion of gas - 0.0 tCO₂e/year (2022 - 0.0 tCO₂e/year)
- the consumption of fuel for the purposes of transport - 122.4 tCO₂e/year (2022 - 189.6 tCO₂e/year)
- the purchase of electricity by the Company for its own use, including for the purposes of transport -186.7 tCO₂e/year (2022 - 181.7 tCO₂e/year)

The annual quantity of energy consumed from activities for which the Company is responsible was 1,834,295 kWh/year (2022 – 1,992,660 kWh/year).

The above figures have been calculated by a third-party business of energy and environmental consulting engineers. Electricity and gas consumption were based on a data set collated from invoices internally by the Company as part of its utilities monitoring strategy, whilst mileage figures were used to calculate energy and emissions from fleet vehicles. Gross calorific values were used except for mileage energy calculations. The Company continues to take measures to reduce its carbon footprint and improve energy efficiency, some of which are discussed in the previous section.

The Company utilises the following key ratio to express total annual emissions in relation to total occupied floorspace of the business:

Total tonnes of carbon dioxide per '000 square meter floor area = 8.84 tCO₂e/year per m² (2022 – 10.21 tCO₂e/year per m².)

Equal opportunities

The Company is an equal opportunity employer and is fully committed to a policy of treating all its employees and job applicants equally. During the year, training was provided to all employees on equality and diversity awareness.

Full consideration is given to applications for employment based on experience, skills, knowledge and ability to adequately perform the role.

Where existing employees become disabled, it is the Company's policy wherever practical to provide continuing employment under normal terms and conditions, as well as provide training, career development and promotion wherever appropriate.

Regulatory bodies

The Company aims to maintain the highest standards of conduct with each of the regulatory bodies it engages with. The Directors support a principled and moral approach to doing business, which is embedded in the culture of the Company. We have several policies in place including our zero tolerance to unethical matters such as bribery and corruption, along with maintaining transparent and fair policies with each of our stakeholders.

The Company website details its compliance with the Modern Slavery legislation and provides information on our Gender Pay report.

JACK SEALEY LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023

This report was approved by the Board of Directors on 20th October 2023 and signed on its behalf.



B J J Sealey
Director

JACK SEALEY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2023

The Directors present their report and the financial statements for the year ended 30 April 2023.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

Results and dividends

The profit for the year, after taxation, amounted to £7,059,000 (2022 - £6,960,000).

The Directors do not recommend the payment of a dividend (2022 - £NIL).

JACK SEALEY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

Directors

The Directors who served during the year and to the date of this report, were:

J L Sealey
P D Sealey
M Sweetman
T R Thompson
S G Buckle
R J Sealey
D N Riches
B J J Sealey
G S Dolman

The Directors' indemnity insurance is part of a standalone policy paid for by the Company. The policy was in force during the year and to the date of this report.

Matters covered in the Strategic Report

Details of the Company's future developments and subsequent events, research and development activities, policies in respect of disabled employees, employee involvement, financial risk management objectives and policies, use of financial instruments, the key risks to which it is exposed, energy usage and carbon emissions, and fostering relationships with employees, customers, suppliers and other stakeholders are included in the Strategic Report.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Change of auditor


Our auditors Scrutton Bland LLP transferred their audit registration and therefore that part of their business to a newly incorporated limited liability partnership, SB Audit LLP, on 1 April 2023. Accordingly Scrutton Bland LLP formally resigned as the Company's auditor with the directors duly appointing SB Audit LLP to fill the vacancy arising.

The auditor, SB Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

JACK SEALEY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

This report was approved by the Board of Directors on 20th October 2023 and signed on its behalf.



B J J Sealey
Director

JACK SEALEY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JACK SEALEY LIMITED

Opinion

We have audited the financial statements of Jack Sealey Limited (the 'Company') for the year ended 30 April 2023, which comprise of the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

JACK SEALEY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JACK SEALEY LIMITED (CONTINUED)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of the Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

JACK SEALEY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JACK SEALEY LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience and through discussions and enquiries of Directors and management. During the engagement team briefing, the outcomes of these discussions were shared with the team, as well as consideration as to where and how fraud may occur in the Company.

The following laws and regulations were identified as being of significance to the Company:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards and UK Company Law and Taxation.
- Those laws and regulations considered to have an indirect effect on the financial statements. These include ensuring that the Company's products comply with the EU Machinery Directive and have the required CE marking, health and safety, GDPR, and employment law.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the Company complies with such regulations; enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of relevant legal documentation, review of Board minutes, testing the appropriateness of journal entries and the performance of analytical review to identify any unexpected movements in account balances which may be indicative of fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

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

JACK SEALEY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JACK SEALEY LIMITED (CONTINUED)

SB Audit LLP

Steven Burgess (Senior Statutory Auditor)

for and on behalf of
SB Audit LLP

Chartered Accountants
Statutory Auditor

Fitzroy House
Crown Street
Ipswich
Suffolk
IP1 3LG

Date: 3 / 11 / 2023

JACK SEALEY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2023

	Notes	2023 £000	2022 (as restated - see note 2.20) £000
Turnover	4	89,557	85,704
Cost of sales		(41,871)	(38,657)
Gross profit		47,686	47,047
Distribution costs		(13,155)	(12,231)
Administrative expenses		(26,538)	(26,669)
Other operating income	5	703	665
Operating profit	6	8,696	8,812
Interest receivable and similar income	10	742	117
Interest payable and similar expenses	11	(736)	(284)
Profit before tax		8,702	8,645
Tax on profit	12	(1,643)	(1,685)
Profit for the financial year		7,059	6,960

There was no other comprehensive income for 2023 (2022 - NIL).

JACK SEALEY LIMITED
REGISTERED NUMBER:01329173

BALANCE SHEET
AS AT 30 APRIL 2023

	Notes	2023 £000	2022 £000
Fixed assets			
Intangible assets	13	353	392
Tangible assets	14	28,423	19,098
		<u>28,776</u>	<u>19,490</u>
Current assets			
Stocks	15	38,446	44,084
Debtors: amounts falling due within one year	16	22,422	25,151
Current asset investments	17	8,000	-
Cash at bank and in hand	18	35,139	19,901
		<u>104,007</u>	<u>89,136</u>
Creditors: amounts falling due within one year	19	(24,369)	(16,982)
Net current assets		<u>79,638</u>	<u>72,154</u>
Total assets less current liabilities		<u>108,414</u>	<u>91,644</u>
Creditors: amounts falling due after more than one year	20	(10,500)	(1,000)
Provision for liabilities			
Deferred tax	22	(623)	(412)
Net assets		<u>97,291</u>	<u>90,232</u>
Capital and reserves			
Called up share capital	29	510	510
Profit and loss account	30	96,781	89,722
Shareholder's funds		<u>97,291</u>	<u>90,232</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on


B J J Sealey
 Director

20th October 2023

JACK SEALEY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2023

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 May 2021	510	82,762	83,272
Comprehensive income for the year			
Profit for the year	-	6,960	6,960
At 1 May 2022	510	89,722	90,232
Comprehensive income for the year			
Profit for the year	-	7,059	7,059
At 30 April 2023	510	96,781	97,291

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

1. General information

Jack Sealey Limited (the "Company") is a private company limited by shares and incorporated and domiciled in England and Wales. The address of the registered office is 820 The Crescent, Colchester Business Park, Colchester, Essex CO4 9YQ. The principal place of business is Kempson Way, Suffolk Business Park, Bury St Edmunds, Suffolk, IP32 7AR.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Sealey (UK) Limited as at 30 April 2023 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

2.3 Going concern

The Directors have considered a period of at least one year from the date these financial statements were approved and authorised in assessing the going concern basis of preparation of the Company's financial statements. They have reviewed forecasts and considered the wider business environment. They believe that the Company will have sufficient cash available to continue to trade and to settle its liabilities and other obligations as they fall due for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements. On this basis, the directors believe the going concern basis of preparation to be appropriate.

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

Capitalised development expenditure relates to expenses incurred in the development of software systems for internal use. The amortisation period in respect of the capitalised development expenditure is on a straight line basis over 4 years.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Land and assets under construction are not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method or reducing balance method. The estimated useful lives range as follows:

Freehold property	- 4% per annum on cost
Motor vehicles	- 25% per annum on reducing balance
Fixtures, fittings and equipment	- 20 - 25% per annum on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in either selling and distribution expenses or administrative expenses.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

2.8 Pensions

Defined contribution pension scheme

The Company operates a defined contribution scheme for its employees. A defined contribution scheme is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the scheme are held separately from the Company in independently administered funds.

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as Other Comprehensive Income or to an item recognised directly in equity is also recognised in Other Comprehensive Income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in Statement of Comprehensive Income except when deferred in Other Comprehensive Income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in Statement of Comprehensive Income within 'Cost of Sales'.

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

2. Accounting policies (continued)

2.11 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

Derivatives, including 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 income as appropriate. The company does not currently apply hedge accounting for foreign exchange derivatives.

2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

2. Accounting policies (continued)

2.15 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.16 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.17 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.18 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.19 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.20 Restatement of comparatives

During the year the Directors have reviewed the accounting treatment of sales and purchases to and from a related party and consider that they should not be recognised as turnover and cost of sales. Accordingly, the comparatives have been restated to decrease turnover and cost of sales by £4,418,000. The change in presentation does not have an impact on the overall result for the prior year or retained earnings brought forward.

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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

The provision for stock is calculated as the value of the year end stock for which there have been no purchases within the last 12 months, and which is not expected to be sold within the next 24 months based on the level held at the year end and the sales within the last 12 months.

The amortisation period for development expenditure in respect of software is estimated to be over a straight line basis of 4 years. This is in accordance with FRS 102 section 18.2 which states that the life of an intangible asset should not exceed 10 years.

The fair value of the foreign currency forward contracts has been taken as the mark-to-market values calculated by the provider using data sourced from an independent financial market data provider using mid-market end-of-day data as of the close of business on 30 April 2023.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Company.

Analysis of turnover by country of destination:

	2023 £000	As restated 2022 £000
United Kingdom	83,801	79,789
Rest of Europe	4,073	4,123
Rest of the World	1,683	1,792
	<u>89,557</u>	<u>85,704</u>

5. Other operating income

	2023 £000	2022 £000
Government grants receivable	-	7
Sundry income	93	88
Rent receivable	155	-
Management charges receivable	455	570
	<u>703</u>	<u>665</u>

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

6. Operating profit

The operating profit is stated after charging/(crediting):

	2023 £000	2022 £000
Net foreign exchange (gains)	(61)	(609)
Fair value loss/(gain) on foreign currency forward contracts	262	(782)
Other operating lease rentals	792	381
(Profit) on disposal of tangible fixed assets	(50)	(38)
Amortisation of intangible fixed assets	226	430
Depreciation of tangible fixed assets	1,535	1,301

7. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor:

	2023 £000	2022 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements	27	24
Fees payable to the Company's auditor in respect of:		
Other services relating to taxation	10	9
Other services relating to accountancy	2	2

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

8. Employees

Staff costs, including Directors' remuneration, were as follows:

	2023 £000	2022 £000
Wages and salaries	24,693	24,859
Social security costs	2,566	2,776
Cost of defined contribution pension scheme	860	839
	<u>28,119</u>	<u>28,474</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2023 No.	2022 No.
Office and management	206	198
Sales staff	210	217
	<u>416</u>	<u>415</u>

9. Directors' remuneration

	2023 £000	2022 £000
Directors' emoluments	13,306	14,888
Company contributions to defined contribution pension schemes	136	107
	<u>13,442</u>	<u>14,995</u>

During the year retirement benefits were accruing to 6 Directors (2022 - 4) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £5,580,000 (2022 - £6,103,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £Nil (2022 - £Nil).

There was no other key management personnel during either the current or prior years other than the Directors.

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

10. Interest receivable and similar income

	2023 £000	2022 £000
Bank interest receivable	742	117

11. Interest payable and similar expenses

	2023 £000	2022 £000
Interest payable on loans from a related party	736	284

12. Taxation

	2023 £000	2022 £000
Current tax		
UK corporation tax on profits for the year	1,464	1,761
Adjustments in respect of previous years	(32)	(172)
	<u>1,432</u>	<u>1,589</u>
Deferred tax		
Origination and reversal of timing differences	211	11
Effect of changes to tax rate on opening deferred tax liability	-	85
Total deferred tax	<u>211</u>	<u>96</u>
Taxation on profit on ordinary activities	<u>1,643</u>	<u>1,685</u>

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - higher than) the standard rate of Corporation tax in the UK of 19.49% (2022 - 19%). The differences are explained below:

	2023 £000	2022 £000
Profit on ordinary activities before tax	8,702	8,645
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.49% (2022 - 19%)	1,696	1,643
Effects of:		
Expenses not deductible for tax purposes	158	129
Adjustments to corporation tax charge in respect of prior periods	(33)	(172)
Adjustments to deferred tax in respect of prior periods	(97)	-
Effect of change in tax rate	(81)	85
Total tax charge for the year	1,643	1,685

Factors that may affect future tax charges

It was announced in the March 2021 budget that the main rate of corporation tax will increase from 19% to 25% for financial years from 2023. Accordingly, deferred tax assets and liabilities have been measured at 25% in these financial statements.

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

13. Intangible assets

	Patents £000	Software development £000	Total £000
Cost			
At 1 May 2022	59	7,447	7,506
Additions	-	156	156
Transfer from tangible fixed assets	-	31	31
At 30 April 2023	<u>59</u>	<u>7,634</u>	<u>7,693</u>
Amortisation			
At 1 May 2022	46	7,068	7,114
Charge for the year on owned assets	6	220	226
At 30 April 2023	<u>52</u>	<u>7,288</u>	<u>7,340</u>
Net book value			
At 30 April 2023	<u>7</u>	<u>346</u>	<u>353</u>
At 30 April 2022	<u>13</u>	<u>379</u>	<u>392</u>

The cost of software development includes £84,000 (2022 - £Nil) of assets under construction which have not been amortised.

The net book value software development includes £129,000 (2022 - £305,000) of capitalised development costs.

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

14. Tangible fixed assets

	Freehold property and land £000	Motor vehicles £000	Fixtures, fittings and equipment £000	Assets under construction £000	Total £000
Cost or valuation					
At 1 May 2022	28,477	529	5,348	404	34,758
Additions	9,686	63	1,011	170	10,930
Disposals	-	(71)	(313)	(6)	(390)
Transfers between classes	-	-	64	(64)	-
Transfer to intangible assets	-	-	-	(31)	(31)
At 30 April 2023	<u>38,163</u>	<u>521</u>	<u>6,110</u>	<u>473</u>	<u>45,267</u>
Depreciation					
At 1 May 2022	11,115	341	4,204	-	15,660
Charge for the year on owned assets	1,009	45	481	-	1,535
Disposals	-	(41)	(310)	-	(351)
At 30 April 2023	<u>12,124</u>	<u>345</u>	<u>4,375</u>	<u>-</u>	<u>16,844</u>
Net book value					
At 30 April 2023	<u>26,039</u>	<u>176</u>	<u>1,735</u>	<u>473</u>	<u>28,423</u>
At 30 April 2022	<u>17,362</u>	<u>188</u>	<u>1,144</u>	<u>404</u>	<u>19,098</u>

The net book value of land which is not depreciated is £9,934,000 (2022 - £8,081,000).

15. Stocks

	2023 £000	2022 £000
Finished goods	34,906	39,623
Goods in transit	3,540	4,461
	<u>38,446</u>	<u>44,084</u>

The carrying value of stocks are stated net of impairment losses totalling £3,394,000 (2022 - £2,983,000). Impairment losses amounting to £411,000 (2022 - £487,000) were recognised in the Statement of Comprehensive Income in the year.

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

16. Debtors

	2023 £000	2022 £000
Trade debtors	20,527	21,064
Prepayments and accrued income	1,895	3,952
Fair value of derivative financial instruments	-	135
	<u>22,422</u>	<u>25,151</u>

17. Current asset investments

	2023 £000	2022 £000
Short term bank deposit	<u>8,000</u>	<u>-</u>

18. Cash and cash equivalents

	2023 £000	2022 £000
Cash at bank and in hand	<u>35,139</u>	<u>19,901</u>

19. Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Other loans (see note 21)	500	500
Trade creditors	5,289	8,853
Corporation tax payable	523	672
Other taxation and social security	2,779	2,762
Other creditors	1	1
Accruals and deferred income	15,150	4,194
Fair value of derivative financial instruments	127	-
	<u>24,369</u>	<u>16,982</u>

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

20. Creditors: Amounts falling due after more than one year

	2023 £000	2022 £000
Other loans (see note 21)	500	1,000
Redeemable preference shares treated as debt	10,000	-
	<u>10,500</u>	<u>1,000</u>

Disclosure of the terms and conditions attached to the non-equity shares is included in note 29.

21. Loans

Analysis of the maturity of other loans is given below:

	2023 £000	2022 £000
Amounts falling due within one year		
Other loans	500	500
Amounts falling due 1-2 years		
Other loans	500	500
Amounts falling due 2-5 years		
Other loans	-	500
	<u>1,000</u>	<u>1,500</u>

The other loans are unsecured and bear interest at the Bank of England base rate plus 6% per annum.

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

22. Deferred taxation

	2023 £000	2022 £000
At beginning of year	412	317
Charged to the Statement of Comprehensive Income	211	95
At end of year	623	412

The provision for deferred taxation comprises:

	2023 £000	2022 £000
Accelerated capital allowances	686	450
Short term timing differences	(63)	(38)
	623	412

23. Contingent liabilities

Barclays Bank Plc has provided the Company with a guarantee of £2,000 (2022 - £112,000) in respect of deferred customs duties. This is secured by fixed and floating charges over the Company's assets.

On 21 May 2021 the Company entered into a guarantee and indemnity with Investec Bank Plc. The Company has unconditionally guaranteed all existing and future liabilities owed by a company under common control to Investec Bank Plc. There were no liabilities at the Balance Sheet date (2022 - £Nil).

24. Capital commitments

At 30 April 2023 the Company had capital commitments as follows:

	2023 £000	2022 £000
Contracted for but not provided in these financial statements	6,690	109

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

25. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £860,000 (2022 - £892,000). Contributions amounting to £99,000 (2022 - £115,000) were payable to the fund at the balance sheet date and included within other creditors.

26. Commitments under operating leases

At 30 April 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £000	2022 £000
Not later than 1 year	320	328
Later than 1 year and not later than 5 years	310	323
	<u>630</u>	<u>651</u>

27. Other financial commitments

At 30 April 2023 the Company had foreign currency forward contracts to buy USD 4.5m at exchange rates against GB pounds of between 1.20 and 1.240 US dollars. The foreign currency forward contracts mature at various dates until 28 March 2024.

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

28. Related party transactions

During the year, a Director of the Company and shareholder of the ultimate parent undertaking made unsecured loans to the Company amounting to £12,000,000 (2022 - £3,000,000). The maximum amount outstanding during the year was £13,500,000 (2022 - £5,000,000). At the year end £1,000,000 (2022 - £1,500,000) was still outstanding. Interest amounting to £736,000 (2022 - £284,000) was payable in the year. At the year end interest amounting to £150,000 (2022 - £2,000) was outstanding and included within accruals.

During the year, the Company issued 10,000,000 Redeemable Preference shares of £1 each to a Director of the Company and shareholder of the ultimate parent undertaking. Consideration was received via conversion of a £10,000,000 loan balance.

During the year, the Company paid wages to close family members of some of the Directors amounting to £56,000 (2022 - £61,000).

During the year, the Company made sales of £17,000 (2022 - £22,000) to Directors and £2,000 (2022 - £6,000) to close family members of a Director (2021 - 2 Directors).

During the year, the Company sold motor vehicles to Directors for £42,000 (2022 - a Director for £23,000).

During the year, the Company received a management charge from a company under common control amounting to £455,000 (2022 - £570,000). During the year, the Company received rent from a company under common control amounting to £155,000 (2022 - £Nil). At the year end the Company was owed an amount of £736,000 (2022 - £3,013,000) from a company under common control. At the year end the Company had accrued income of £47,000 (2022 - £93,000) from a company under common control.

29. Share capital

	2023 £000	2022 £000
Shares classified as equity		
Allotted, called up and fully paid		
510,000 (2022 - 510,000) Ordinary shares of £1 each	<u>510</u>	<u>510</u>
Shares classified as debt		
Allotted, called up and fully paid		
10,000,000 (2022 - Nil) Redeemable Preference shares of £1 each	<u>10,000</u>	<u>-</u>

JACK SEALEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

29. Share capital (continued)

On 28 April 2023, the Company issued 10,000,000 Redeemable Preference shares of £1 each for repayment of other loans amounting to £10,000,000. The Redeemable Preference shares do not provide any voting rights. They are redeemable at the request either of the holder or the Company. However, they cannot be redeemed within two years of the issue date. The shares provide the right to a variable annual dividend. The shareholders and Company must agree the amount in writing within six months of each financial year end.

30. Reserves

Profit and loss account

The Profit and Loss Account reserve represents the Company's accumulated profits and losses less dividends paid.

31. Controlling party

The immediate and ultimate parent undertaking is Sealey (UK) Limited.

J L Sealey, a Director, is the ultimate controlling party by virtue of his majority shareholding in Sealey (UK) Limited.

The largest and smallest group for which the Company's results are included is headed by Sealey (UK) Limited. Copies of the consolidated financial statements of Sealey (UK) Limited are publicly available from Companies House, Crown Way, Cardiff CF14 3UZ.