

Company registration number 00599506 (England and Wales)

VISION ENGINEERING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



VISION ENGINEERING LIMITED

COMPANY INFORMATION

Directors	M Curtis J Arnold J Curtis J Freeman S Mead G Mercer P Newbatt
Company number	00599506
Registered office	The Freeman Building Galileo Drive Send Woking Surrey United Kingdom GU23 7ER
Auditor	Azets Audit Services Ashcombe Court Woolsack Way Godalming Surrey United Kingdom GU7 1LQ

VISION ENGINEERING LIMITED

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VISION ENGINEERING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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

Fair review of the business

The results for the year and financial position of the company and the group are as shown in the annexed accounts.

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

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross profit margin and return on capital employed.

Diversification continues as a key part of the strategic plan, with:

- A broader product base, including external strategic collaborations, providing better penetration of existing markets and new penetration of new markets
- The development of new global IP through a dedicated Concept Development team
- Expansion of the Company VEMOS division (Vision Engineering Manufacturing & Optical Services) providing 3rd party manufacturing and optical components
- Expansion of the existing representative office network in India, SE Asia to include South Korea
- Expansion of the successful Vision Engineering China sales office
- Expansion of the Hispanic team covering Central and South America (managed from the North American office).
- Expansion of the VE France office to include a Spanish sale employee in Spain and better coverage of francophone North Africa

The Company's acquisition/external investment programme continued. Milturn/Bowfran, a 21 person machine shop and specialist anodizing house near Leicester was acquired post year end, giving the Vision Group an existing customer base and additional manufacturing capacity.

Further acquisitions are being actively pursued.

The VEMOS division continues to expand satisfactorily, with a broader customer base than hitherto.

The 33,000ft² factory vacated by Vision Engineering in May 2017 has been offered for sale and terms agreed to utilise the existing housing planning permission.

An internal expansion plan has been established and costed and is ready to implement, when demand dictates. Investment in staff development & retention and the existing full time staff development and retention manager has been reinforced by one hire, to help with recruitment, retention and staff development.

The Management Development Team (MDT) of junior and middle managers, with the potential for future director responsibilities has been established and is part of a managed training programme, to equip the team with broader management skills outside their own niches. A coherent Director succession plan has been established as a result. The MDT is involved in strategy formulation and implementation, particularly with regard to recruitment/retention of younger generations.

VISION ENGINEERING LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Fair Review of the Business (continued)

As a manufacturer of optical and digital instrumentation; the company continues to operate across the following principal geographical markets:

- United Kingdom and Ireland
- Iberia (based in France), Central Europe (based in Germany) and Italy
- North America (USA, Mexico, Canada, Costa Rica, South America)
- Japan
- China
- Rest of the World

Non UK business accounts for approximately 90% of turnover.

The post COVID upturn was strangled by continuing Brexit related reduction in markets and increases in costs. At the very end of the financial year, the build up to and then the actual Russian invasion caused further reductions in global business confidence. The two factors have caused a cooling of the market and significant increases in supply side costs. This has impacted margins and reserves.

We made an operating profit in 2022 of £2,334,146 (net profit of 7.4%) compared to a loss in 2021 of £987,548 (net loss of -4.4%) for 2021. Pre Tax profits for the year were £1,952,852 (6.2%) compared to losses of £969,779 (-4.3%) for 2021.

After taxation and minority interests, reserves have been increased by £1,746,519 in 2022.

Description of Principal Risks and Uncertainties

Risk factors identified for the coming year are as follows;

- The inflationary pressures of the Russo-Ukraine War, including substantial increases in costs
- The time pressures and costs of absorption of the Miltorn/Bowfran acquisition
- Continued post Brexit uncertainty and lack of advantageous trade treaties

Return on capital employed is 7.5% (2021 -3.6%). Return on capital employed is calculated as profit before interest and tax divided by capital employed, which constitutes total assets less current liabilities, less investments, less cash, plus overdrafts and other short term borrowings.

On behalf of the board


.....
M Curtis
Director

Date: 15.12.22
.....

VISION ENGINEERING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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

Principal activities

The principal activity of the company and group continued to be that of the manufacture of optical instruments.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M Curtis
J Arnold
J Curtis
J Freeman
S Mead
G Mercer
P Newbatt

Auditor

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 auditor of the company 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 auditor of the company is aware of that information.

On behalf of the board



M Curtis
Director

Date: 15.12.22

VISION ENGINEERING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

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.

VISION ENGINEERING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VISION ENGINEERING LIMITED

Opinion

We have audited the financial statements of Vision Engineering Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 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 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 March 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.

VISION ENGINEERING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF VISION ENGINEERING LIMITED

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.

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.

VISION ENGINEERING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VISION ENGINEERING LIMITED

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

Sharon Ward BSc FCA CF (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

Date: *16th December 2022*

Chartered Accountants
Statutory Auditor

Ashcombe Court
Woolsack Way
Godalming
Surrey
United Kingdom
GU7 1LQ

VISION ENGINEERING LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Turnover	3	31,458,861	22,325,767
Cost of sales		(14,584,817)	(11,292,299)
Gross profit		<u>16,874,044</u>	<u>11,033,468</u>
Administrative expenses		(15,956,866)	(13,873,759)
Other operating income		1,416,968	1,852,743
Operating profit/(loss)	4	<u>2,334,146</u>	<u>(987,548)</u>
Interest receivable and similar income		15,632	32,790
Interest payable and similar expenses		(48,404)	(15,021)
Amounts written off investments		(348,522)	-
Profit/(loss) before taxation		<u>1,952,852</u>	<u>(969,779)</u>
Tax on profit/(loss)	8	(232,428)	16,137
Profit/(loss) for the financial year		<u><u>1,720,424</u></u>	<u><u>(953,642)</u></u>
Profit/(loss) for the financial year is attributable to:			
- Owners of the parent company		1,746,519	(941,867)
- Non-controlling interests		(26,095)	(11,775)
		<u><u>1,720,424</u></u>	<u><u>(953,642)</u></u>

VISION ENGINEERING LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Profit/(loss) for the year	1,720,424	(953,642)
Other comprehensive income		
Revaluation of tangible fixed assets	(4,161)	(8,285)
Currency translation differences	185,594	(1,434,796)
Other comprehensive income of associates accounted for using the equity method	(1,985)	(7,084)
Other comprehensive income for the year	179,448	(1,450,165)
Total comprehensive income for the year	1,899,872	(2,403,807)
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	1,927,952	(2,384,948)
- Non-controlling interests	(28,080)	(18,859)
	1,899,872	(2,403,807)

VISION ENGINEERING LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	11		20,650,195		19,644,459
Investments	12		-		275,310
			<u>20,650,195</u>		<u>19,919,769</u>
Current assets					
Stocks	14	10,717,933		7,843,439	
Debtors	15	6,453,804		5,642,403	
Cash at bank and in hand		9,988,472		13,735,039	
		<u>27,160,209</u>		<u>27,220,881</u>	
Creditors: amounts falling due within one year	16	<u>(6,792,149)</u>		<u>(6,254,131)</u>	
Net current assets			<u>20,368,060</u>		<u>20,966,750</u>
Total assets less current liabilities			<u>41,018,255</u>		<u>40,886,519</u>
Creditors: amounts falling due after more than one year	17		<u>(3,706,819)</u>		<u>(5,433,497)</u>
Provisions for liabilities					
Deferred tax liability	19	68,669		110,127	
		<u>68,669</u>	<u>(68,669)</u>	<u>110,127</u>	<u>(110,127)</u>
Net assets			<u><u>37,242,767</u></u>		<u><u>35,342,895</u></u>
Capital and reserves					
Called up share capital	22		24,555		24,555
Share premium account			6,776,053		6,776,053
Revaluation reserve			1,382,611		1,386,772
Profit and loss reserves			29,057,727		27,125,614
			<u>37,240,946</u>		<u>35,312,994</u>
Equity attributable to owners of the parent company			<u>37,240,946</u>		<u>35,312,994</u>
Non-controlling interests			<u>1,821</u>		<u>29,901</u>
			<u><u>37,242,767</u></u>		<u><u>35,342,895</u></u>

The financial statements were approved by the board of directors and authorised for issue on 15.12.22 and are signed on its behalf by:


 M Curtis
 Director

VISION ENGINEERING LIMITED

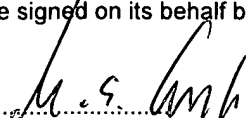
COMPANY BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	11	19,955,079		19,016,461	
Investments	12	6,829,758		7,105,068	
		<u>26,784,837</u>		<u>26,121,529</u>	
Current assets					
Stocks	14	7,709,583	5,986,775		
Debtors	15	5,090,179	5,133,968		
Cash at bank and in hand		7,605,360	10,396,041		
		<u>20,405,122</u>	<u>21,516,784</u>		
Creditors: amounts falling due within one year	16	<u>(7,577,709)</u>	<u>(7,306,789)</u>		
Net current assets		<u>12,827,413</u>		<u>14,209,995</u>	
Total assets less current liabilities		<u>39,612,250</u>		<u>40,331,524</u>	
Creditors: amounts falling due after more than one year	17	<u>(3,706,819)</u>	<u>(5,309,352)</u>		
Net assets		<u>35,905,431</u>		<u>35,022,172</u>	
Capital and reserves					
Called up share capital	22	24,555	24,555		
Share premium account		6,776,053	6,776,053		
Revaluation reserve		1,382,611	1,386,772		
Profit and loss reserves		27,722,212	26,834,792		
Total equity		<u>35,905,431</u>		<u>35,022,172</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 £969,561 (2021 - £1,161,552 loss).

The financial statements were approved by the board of directors and authorised for issue on 15.12.22 and are signed on its behalf by:


.....
M Curtis
Director

Company Registration No. 00599506

VISION ENGINEERING LIMITED

**GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Share capital	Share premium account	Revaluation reserve	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
Notes	£	£	£	£	£	£	£
Balance at 1 April 2020	24,416	6,776,053	1,395,057	29,498,052	37,693,578	52,985	37,746,563
Year ended 31 March 2021:							
Loss for the year	-	-	-	(941,867)	(941,867)	(11,775)	(953,642)
Other comprehensive income:							
Revaluation of tangible fixed assets	-	-	(8,285)	-	(8,285)	-	(8,285)
Currency translation differences	-	-	-	(1,434,796)	(1,434,796)	-	(1,434,796)
Other comprehensive income of associates and jointly controlled entities accounted for using the equity method	-	-	-	(7,084)	(7,084)	-	(7,084)
Amounts attributable to non-controlling interests	-	-	-	7,084	7,084	(7,084)	-
Total comprehensive income for the year	-	-	(8,285)	(2,376,663)	(2,384,948)	(18,859)	(2,403,807)
Issue of share capital	139	-	-	-	139	-	139
Other movements	-	-	-	4,225	4,225	(4,225)	-
Balance at 31 March 2021	24,555	6,776,053	1,386,772	27,125,614	35,312,994	29,901	35,342,895

VISION ENGINEERING LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

	Share capital	Share premium account	Revaluation reserve	Profit and loss reserves	Total controlling interest	Non- controlling interest	Total
Notes	£	£	£	£	£	£	£
Year ended 31 March 2022:							
Profit for the year	-	-	-	1,746,519	1,746,519	(26,095)	1,720,424
Other comprehensive income:							
Revaluation of tangible fixed assets	-	-	(4,161)	-	(4,161)	-	(4,161)
Currency translation differences	-	-	-	185,594	185,594	-	185,594
Other comprehensive income of associates and jointly controlled entities accounted for using the equity method	-	-	-	(1,985)	(1,985)	-	(1,985)
Amounts attributable to non-controlling interests	-	-	-	1,985	1,985	(1,985)	-
Total comprehensive income for the year	-	-	(4,161)	1,932,113	1,927,952	(28,080)	1,899,872
Balance at 31 March 2022	24,555	6,776,053	1,382,611	29,057,727	37,240,946	1,821	37,242,767

VISION ENGINEERING LIMITED

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

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2020		24,416	6,776,053	1,395,057	28,188,801	36,384,327
Year ended 31 March 2021:						
Loss for the year		-	-	-	(1,161,552)	(1,161,552)
Other comprehensive income:						
Revaluation of tangible fixed assets		-	-	(8,285)	-	(8,285)
Currency translation differences		-	-	-	(192,457)	(192,457)
Total comprehensive income for the year		-	-	(8,285)	(1,354,009)	(1,362,294)
Issue of share capital	22	139	-	-	-	139
Balance at 31 March 2021		24,555	6,776,053	1,386,772	26,834,792	35,022,172
Year ended 31 March 2022:						
Profit for the year		-	-	-	969,561	969,561
Other comprehensive income:						
Revaluation of tangible fixed assets		-	-	(4,161)	-	(4,161)
Currency translation differences		-	-	-	(82,141)	(82,141)
Total comprehensive income for the year		-	-	(4,161)	887,420	883,259
Balance at 31 March 2022		24,555	6,776,053	1,382,611	27,722,212	35,905,431

VISION ENGINEERING LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	27		(154,317)		1,186,460
Interest paid			(48,404)		(15,021)
Income taxes (paid)/refunded			(61,138)		108,336
			<u> </u>		<u> </u>
Net cash (outflow)/inflow from operating activities			(263,859)		1,279,775
Investing activities					
Purchase of tangible fixed assets		(1,745,034)		(386,750)	
Proceeds on disposal of tangible fixed assets		530		464,180	
Proceeds on disposal of investments		(73,212)		(275,310)	
Receipts arising from loans made		5,471		(5,265)	
Interest received		15,632		32,790	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(1,796,613)		(170,355)
Financing activities					
Proceeds of new bank loans		-		5,270,691	
Repayment of bank loans		(1,686,095)		-	
		<u> </u>		<u> </u>	
Net cash (used in)/generated from financing activities			(1,686,095)		5,270,691
			<u> </u>		<u> </u>
Net (decrease)/increase in cash and cash equivalents			(3,746,567)		6,380,111
Cash and cash equivalents at beginning of year			13,735,039		7,354,928
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			9,988,472		13,735,039
			<u> </u>		<u> </u>

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Vision Engineering Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is The Freeman Building, Galileo Drive, Send, Woking, Surrey, United Kingdom, GU23 7ER.

The group consists of Vision Engineering Limited 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. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Vision Engineering Limited 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 March 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.

1.3 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. In forming this assessment, the Directors have paid particular attention to the ongoing impact of Covid-19 on the activities of the group, as well as the potential future impacts of Brexit, and the Russo-Ukraine war.

VISION ENGINEERING LIMITED

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

1 Accounting policies

(Continued)

1.4 Turnover

Turnover is measured at fair value of the consideration received or receivable and represents the amount receivable for goods and services supplied to customers in the normal course of business, excluding value added tax.

Goods are invoiced and revenue is recognised when the goods are despatched to the customer or in accordance with the contract terms where customer approval is required prior to the despatch of goods.

1.5 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 buildings	1.25-5% on cost
Plant and equipment	10-50% on cost
Fixtures and fittings	20%-33.5% on cost
Motor vehicles	20% on cost

Freehold land is not depreciated.

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.

1.6 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.

1.7 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.

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.8 Stocks

Stock comprises raw materials, work in progress, finished goods and goods for resale and is stated at the lower of cost and estimated selling price less costs to complete and sell, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads. The estimated selling price is based on the price at which stock can be realised in the normal course of business.

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.

1.9 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.

1.10 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

Short term debtors are measured at transaction value less any impairment. At each balance sheet date, debtors are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is measured as the difference between the carrying amount and the amount expected to be received.

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.

1.11 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.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

1.13 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.

1.14 Retirement benefits

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

1.15 Leases

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.

1.16 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.

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.17 Foreign exchange

Trading results of overseas operations and assets and liabilities denominated in foreign currencies are expressed in sterling at the rate of exchange ruling at the balance sheet date.

Unrealised exchange differences arising on the translation into sterling of net assets of overseas branches are recorded as a movement on reserves.

Exchange differences arising in the normal course of trade are included within the profit and loss account.

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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Stock provision

Stock values can decrease due to deterioration, damage or obsolescence. A provision is therefore determined based on each product's movement history. The directors exercise judgement over specific stock lines and make provisions where these are deemed to be appropriate.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Sale of goods	30,591,130	21,592,111
Rendering of services	867,731	733,656
	<u>31,458,861</u>	<u>22,325,767</u>

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3	Turnover and other revenue	(Continued)	
		2022	2021
		£	£
	Turnover analysed by geographical market		
	United Kingdom	3,553,286	2,309,208
	Germany	5,745,403	4,161,086
	Iberia	2,483,805	1,724,905
	Italy	3,066,002	2,054,053
	USA	11,477,551	7,367,199
	Japan	1,024,297	1,071,834
	Other exports - EC	1,057,913	965,572
	Other exports - Non EC	3,050,604	2,671,910
		<u>31,458,861</u>	<u>22,325,767</u>
		2022	2021
		£	£
	Other revenue		
	Interest income	15,632	32,790
	Grants received	459,566	789,491
		<u>475,200</u>	<u>822,281</u>
		2022	2021
		£	£
	4 Operating profit/(loss)		
	Operating profit/(loss) for the year is stated after charging/(crediting):		
	Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	178,456	(854,109)
	Research and development costs	985,000	985,431
	Government grants	(459,566)	(789,491)
	Depreciation of owned tangible fixed assets	734,843	913,534
	Profit on disposal of tangible fixed assets	(620)	(67,967)
	Release of negative goodwill	-	(322,672)
	Share-based payments	-	139
	Rent and rates	662,614	881,182
		<u>1,030,727</u>	<u>(335,082)</u>
		2022	2021
		£	£
	5 Auditor's remuneration		
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the group and company	32,125	31,450
	Audit of the financial statements of the company's subsidiaries	5,950	5,950
		<u>38,075</u>	<u>37,400</u>

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6 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
Office and management	58	56	53	51
Production	77	79	59	60
Sales	60	62	43	44
Research	11	10	11	10
Total	206	207	166	165

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	10,902,424	9,505,924	7,701,849	6,958,263
Social security costs	1,451,102	1,204,857	1,230,948	1,021,131
Pension costs	133,583	124,158	133,583	124,158
	12,487,109	10,834,939	9,066,380	8,103,552

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	693,815	619,974
Company pension contributions to defined contribution schemes	21,405	19,393
	715,220	639,367

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

	2022 £	2021 £
Remuneration for qualifying services	149,651	168,016
Company pension contributions to defined contribution schemes	5,202	4,582

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	232,428	(16,137)

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

	2022	2021
	£	£
Profit/(loss) before taxation	1,952,852	(969,779)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	371,042	(184,258)
Unutilised tax losses carried forward	9,642	559,090
Change in unrecognised deferred tax assets	(54,794)	(63,111)
Research and development tax credit	(228,000)	(228,000)
Effect of overseas tax rates	236,498	(16,137)
Decrease from patent box adjustment	(53,729)	(37,032)
Other tax adjustments	(48,231)	(46,689)
Taxation charge/(credit)	232,428	(16,137)

9 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

		2022	2021
	Notes	£	£
In respect of:			
Fixed asset investments	12	348,522	-
Recognised in:			
Amounts written off investments		348,522	-

The impairment losses in respect of financial assets are recognised in other gains and losses in the profit and loss account.

VISION ENGINEERING LIMITED

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

10 Intangible fixed assets

Group	Negative goodwill £
Cost	
At 1 April 2021 and 31 March 2022	(616,012)
Amortisation and impairment	
At 1 April 2021 and 31 March 2022	(616,012)
Carrying amount	
At 31 March 2022	-
At 31 March 2021	-

The company had no intangible fixed assets at 31 March 2022 or 31 March 2021.

11 Tangible fixed assets

Group	Freehold buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2021	22,018,466	3,833,145	958,229	60,342	26,870,182
Additions	1,183,564	484,311	63,018	14,141	1,745,034
Disposals	(53,761)	(410,314)	(22,383)	(7,450)	(493,908)
Transfers	-	(38,792)	31,856	-	(6,936)
Exchange adjustments	24,038	73,431	3,426	530	101,425
At 31 March 2022	23,172,307	3,941,781	1,034,146	67,563	28,215,797
Depreciation and impairment					
At 1 April 2021	3,613,378	2,831,471	737,452	43,422	7,225,723
Depreciation charged in the year	378,752	220,975	125,018	10,098	734,843
Eliminated in respect of disposals	(53,761)	(410,816)	(22,501)	(7,450)	(494,528)
Transfers	-	(38,792)	31,859	-	(6,933)
Exchange adjustments	32,549	70,647	2,771	530	106,497
At 31 March 2022	3,970,918	2,673,485	874,599	46,600	7,565,602
Carrying amount					
At 31 March 2022	19,201,389	1,268,296	159,547	20,963	20,650,195
At 31 March 2021	18,405,088	1,001,674	220,777	16,920	19,644,459

VISION ENGINEERING LIMITED

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

11 Tangible fixed assets (Continued)					
Company	Freehold buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2021	20,279,541	1,927,086	569,344	46,840	22,822,811
Additions	1,133,555	461,531	32,764	14,141	1,641,991
Disposals	(53,761)	(410,314)	(22,383)	(7,450)	(493,908)
Transfers	-	(38,792)	31,856	-	(6,936)
Exchange adjustments	(42,954)	(1)	(8,780)	10	(51,725)
At 31 March 2022	21,316,381	1,939,510	602,801	53,541	23,912,233
Depreciation and impairment					
At 1 April 2021	2,367,436	997,662	411,332	29,920	3,806,350
Depreciation charged in the year	356,359	208,692	99,814	10,098	674,963
Eliminated in respect of disposals	(53,761)	(410,816)	(22,501)	(7,450)	(494,528)
Transfers	-	(38,792)	31,859	-	(6,933)
Exchange adjustments	(15,451)	(1)	(7,256)	10	(22,698)
At 31 March 2022	2,654,583	756,745	513,248	32,578	3,957,154
Carrying amount					
At 31 March 2022	18,661,798	1,182,765	89,553	20,963	19,955,079
At 31 March 2021	17,912,105	929,424	158,012	16,920	19,016,461

Included in the cost of land and buildings for the group is freehold land of £2,663,329 (2021 - £1,619,122) which is not depreciated.

Included in the cost of land and buildings for the company is freehold land of £2,564,567 (2021 - £1,542,024) which is not depreciated.

Freehold property included within land and buildings in the United Kingdom was valued on an open market basis by the Directors on 30 April 2000. The valuations are treated as deemed cost in line with the transitional arrangements of FRS102. Freehold property included in land and buildings in Germany was valued on an open market basis by BV Immobilien-Gesellschaft GmbH on 20 February 1995. The valuations will not be updated. If the freehold property had not been revalued it would have been included at an historical cost of £1,570,453.

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	13	-	-	6,829,758	6,829,758
Unlisted investments		-	275,310	-	275,310
		-	275,310	6,829,758	7,105,068

Movements in fixed asset investments

Group	Investments £
Cost or valuation	
At 1 April 2021	275,310
Additions	73,212
At 31 March 2022	348,522
Impairment	
At 1 April 2021	-
Impairment losses	348,522
At 31 March 2022	348,522
Carrying amount	
At 31 March 2022	-
At 31 March 2021	275,310

VISION ENGINEERING LIMITED

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

12 Fixed asset investments (Continued)

Movements in fixed asset investments

Company	Shares in subsidiaries £	Other investments £	Total £
Cost or valuation			
At 1 April 2021	6,829,758	275,310	7,105,068
Additions	-	73,212	73,212
At 31 March 2022	6,829,758	348,522	7,178,280
Impairment			
At 1 April 2021	-	-	-
Impairment losses	-	348,522	348,522
At 31 March 2022	-	348,522	348,522
Carrying amount			
At 31 March 2022	6,829,758	-	6,829,758
At 31 March 2021	6,829,758	275,310	7,105,068

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Rose Technology Limited	United Kingdom	Ordinary	100
Nippon Vision Engineering	Japan	Ordinary	90
Vision Engineering Inc	United States of America	Ordinary	100

14 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Raw materials and consumables	6,597,306	4,856,842	5,382,511	4,172,430
Work in progress	392,206	269,455	322,931	269,455
Finished goods and goods for resale	3,728,421	2,717,142	2,004,141	1,544,890
	10,717,933	7,843,439	7,709,583	5,986,775

VISION ENGINEERING LIMITED

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

15 Debtors

	Group 2022	2021	Company 2022	2021
Amounts falling due within one year:	£	£	£	£
Trade debtors	5,562,183	4,110,762	3,218,120	2,581,591
Gross amounts owed by contract customers	107,812	369,674	107,812	369,674
Corporation tax recoverable	21,998	6,186	21,998	6,186
Amounts owed by group undertakings	-	-	1,049,051	1,085,285
Other debtors	343,855	367,440	315,984	336,998
Prepayments and accrued income	417,956	788,341	377,214	754,234
	<u>6,453,804</u>	<u>5,642,403</u>	<u>5,090,179</u>	<u>5,133,968</u>

16 Creditors: amounts falling due within one year

	Group 2022	2021	Company 2022	2021
Notes	£	£	£	£
Payments received on account	60,199	28,895	60,199	28,895
Trade creditors	1,963,526	1,315,352	1,387,263	1,104,423
Amounts owed to group undertakings	-	-	1,941,894	1,752,236
Corporation tax payable	236,498	7,938	6,218	-
Other taxation and social security	756,486	629,743	756,486	629,743
Government grants	-	289,673	-	-
Other creditors	235,988	216,987	207,718	188,162
Accruals and deferred income	3,539,452	3,765,543	3,217,931	3,603,330
	<u>6,792,149</u>	<u>6,254,131</u>	<u>7,577,709</u>	<u>7,306,789</u>

17 Creditors: amounts falling due after more than one year

	Group 2022	2021	Company 2022	2021
Notes	£	£	£	£
Bank loans and overdrafts	3,584,596	5,270,691	3,584,596	5,146,546
Trade creditors	122,223	162,806	122,223	162,806
	<u>3,706,819</u>	<u>5,433,497</u>	<u>3,706,819</u>	<u>5,309,352</u>

VISION ENGINEERING LIMITED

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

18 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	3,584,596	5,270,691	3,584,596	5,146,546
Payable after one year	3,584,596	5,270,691	3,584,596	5,146,546

19 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	68,669	145,140
Tax losses	-	(35,013)
	<u>68,669</u>	<u>110,127</u>

The company has no deferred tax assets or liabilities.

Movements in the year:	Group 2022 £	Company 2022 £
Liability at 1 April 2021	110,127	-
Credit to profit or loss	(41,458)	-
Liability at 31 March 2022	<u>68,669</u>	<u>-</u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period. The deferred tax liability set out above relates to accelerated capital allowances that are expected to mature over the same period as the reversal of the liability.

20 Government grants

	Group 2022 £	2021 £	Company 2022 £	2021 £
Arising from government grants	-	289,673	-	-

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

21 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	133,583	124,158
	<u>133,583</u>	<u>124,158</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.

22 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	24,555	24,555	24,555	24,555
	<u>24,555</u>	<u>24,555</u>	<u>24,555</u>	<u>24,555</u>

23 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	2021	Company	2021
	2022	£	2022	£
	£		£	
Within one year	400,206	315,773	179,934	172,338
Between two and five years	430,381	255,935	328,440	150,357
	<u>830,587</u>	<u>571,708</u>	<u>508,374</u>	<u>322,695</u>

Lessor

The operating leases represent leases of property to third parties. The leases were negotiated over terms of 2-5 years and rentals are fixed for that period. At the balance sheet date, there are no options in place for either party to extend the lease terms.

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group	2021	Company	2021
	2022	£	2022	£
	£		£	
Within one year	111,167	-	111,167	-
	<u>111,167</u>	<u>-</u>	<u>111,167</u>	<u>-</u>

VISION ENGINEERING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

24 Events after the reporting date

After the reporting date, the company entered into an agreement to dispose of assets within land and buildings with a book value of £1,411,879.

Following the year end, the company completed the acquisition of Millturn Limited, a precision metal-working and metal anodising services company. Due to the proximity of the acquisition dates to the finalisation of these financial statements, management has not completed its assessment of the fair values of the assets and liabilities acquired.

25 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Amounts repaid by related party		Amounts loaned to related party	
	2022	2021	2022	2021
	£	£	£	£
Group				
Shareholders	-	989,696	-	(994,961)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Company				
Shareholders	-	989,696	-	(994,961)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2022	2021
	Balance	Balance
	£	£
Group		
Shareholders	-	5,471
	<u> </u>	<u> </u>
Company		
Shareholders	-	5,471
	<u> </u>	<u> </u>

26 Controlling party

The ultimate controlling parties are M Curtis, J P Curtis and J M Freeman.

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NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

27 Cash (absorbed by)/generated from group operations

	2022 £	2021 £
Profit/(loss) for the year after tax	1,720,424	(953,642)
Adjustments for:		
Taxation charged/(credited)	232,428	(16,137)
Finance costs	48,404	15,021
Investment income	(15,632)	(32,790)
Gain on disposal of tangible fixed assets	(620)	(67,967)
Amortisation and impairment of intangible assets	-	(322,672)
Depreciation and impairment of tangible fixed assets	734,843	913,534
Foreign exchange gains on cash equivalents	183,993	(1,224,355)
Other gains and losses	348,522	-
Equity settled share based payment expense	-	139
Movements in working capital:		
(Increase)/decrease in stocks	(2,874,494)	1,661,368
(Increase)/decrease in debtors	(801,060)	322,946
Increase in creditors	558,548	601,342
(Decrease)/increase in deferred income	(289,673)	289,673
Cash (absorbed by)/generated from operations	(154,317)	1,186,460

28 Analysis of changes in net funds - group

	1 April 2021 £	Cash flows £	Exchange rate £	31 March 2022 £
Cash at bank and in hand	13,735,039	(3,562,574)	(183,993)	9,988,472
Borrowings excluding overdrafts	(5,270,691)	1,686,095	-	(3,584,596)
	<u>8,464,348</u>	<u>(1,876,479)</u>	<u>(183,993)</u>	<u>6,403,876</u>