

Safelincs Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2022

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Safelincs Limited

Company Information

Director H Dewick-Eisele

Company secretary R W Stephenson

Registered office 33 West Street
Alford
LN13 9FX

Auditors Forrester Boyd
Chartered Accountants
Waynflete House
139 Eastgate
Louth
Lincolnshire
LN11 9QQ

Safelincs Limited

Strategic Report for the Year Ended 31 March 2022

The Director presents his strategic report for the year ended 31 March 2022.

Principal activity

The principal activity of the Company is supplying safety equipment

Fair review of the business

After a slow start in April and May, 2021-22 grew by over 40% against 2020-21. Our traditionally large stock holdings and the dynamically managed relationship between availability, price and marketing helped us to manoeuvre around supply difficulties which affected some of our manufacturers for much of that year.

Towards the end of the year, new Scottish Regulations for smoke alarms increased sales of more complex fire alarm products.

The increased bureaucracy and costs linked to European exports led to Safelincs ending its European trade customer exports. On the other hand, the end of the pandemic led to an increase in the worldwide distribution of fire safety products by Safelincs on behalf of one of the largest international tourism operators.

The year ended with a strong cash flow position, several new product lines in development and with additional Business Development Staff to grow our B2B customer base.

Safelincs developed the comprehensive online Home Fire Safety Check tool with the NFCC (National Fire Chiefs Council) and the government's FireKills to support fire safety in homes. This tool is now used by the UK's Fire Services.

We continued our drive to sustainability by installing a new insulated roof over our main 1,500 square meter warehouse, renewing the electric infrastructure of our 1,000 square meter solar PV power plant, planting a new woodland on our site and replacing all BDM and company cars with electric cars.

During much of the year the launch of our new ERP system was being prepared ready for launch in the new business year.

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

Financial KPIs	Unit	2022	2021
Turnover growth	%	41	12
Wage/Turnover ratio	%	8	8
Marketing/Turnover	%	6	6

Principal risks and uncertainties

Inflation was already a concern at the end of 2021, however, the start of the war in Ukraine in February has heightened inflationary pressure and could affect consumer sentiment.

Shipments to Northern Ireland could be affected if the UK breaks the treaty signed with the EU regarding the shipment of goods to Northern Ireland.

Approved and authorised by the director on 28 July 2022

.....
H Dewick-Eisele
Director

Safelincs Limited

Director's Report for the Year Ended 31 March 2022

The Director presents his report and the financial statements for the year ended 31 March 2022.

Director of the Company

The Director who held office during the year was as follows:

H Dewick-Eisele

Objectives and policies

The focus in 2022/23 is on maintaining profit levels in a more volatile business environment.

Safelincs will be introducing more products manufactured by ourselves or manufactured to our specification.

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

We forecast a business environment affected by either recession or stagflation in the UK. The challenge will be to achieve solid profitability in an environment featuring rising input costs and distressed competitors which might dump products.

Safelincs will be keeping a tight control of credit permitted to our B2B customers, as we expect certain sectors to come under increased pressure.

Due to cash reserves we are not expecting liquidity or cash flow risks.

Future developments

During the rapid growth period over the last few years, some departments were understaffed. We are now investing into upskilling and the employment of specialists. This will take effort, as the labour market in the UK is tight.

Generally, the focus will be on optimisation and rationalisation.

Research and development

We are developing more fire safety products to be manufactured by Safelincs.

Our IT and Web Development teams are working on optimisation programs keyed into the ERP platform to optimise processes.

Going concern

Given our cash reserves and order pipelines I am satisfied that the company will continue trading for at least the next twelve months. Therefore the financial statements have been prepared on a going concern basis.

Disclosure of information to the auditors

The Director has taken steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Director confirms that there is no relevant information that he knows of and of which he knows the auditors are unaware.

Approved and authorised by the director on 28 July 2022

.....
H Dewick-Eisele
Director

Statement of Director's Responsibilities

The Director acknowledges his responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has 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 Director must not approve the financial statements unless he is 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 Director is required to:

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

The Director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Independent Auditor's Report to the Members of Safelincs Limited

Opinion

We have audited the financial statements of Safelincs Limited (the 'Company') for the year ended 31 March 2022, which comprise the Profit and Loss Account and Statement of Retained Earnings, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

Independent Auditor's Report to the Members of Safelincs Limited

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Director's 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 Director

As explained more fully in the Statement of Director's Responsibilities [set out on page 4], the Director is 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 Director determines 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 Director is 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 Director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our audit procedures included the following;

- testing management override controls including journal testing and review accounting estimates for reasonableness
- enquiries of management of actual and potential litigation claims
- enquiries of management including fraud and associated risks
- discussions with management, including consideration of known or suspected instances of non-compliance
- testing focussing on the areas of the financial statements most susceptible to material error including completeness of income to ensure correct matching of revenue and costs

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

Safelincs Limited

Independent Auditor's Report to the Members of Safelincs Limited

Use of our report

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

.....
Adam Millson ACA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd , Statutory Auditor

Waynflete House
139 Eastgate
Louth
Lincolnshire
LN11 9QQ

28 July 2022

Safelincs Limited

Profit and Loss Account and Statement of Retained Earnings for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Turnover	3	24,749,727	17,442,229
Cost of sales		<u>(15,581,116)</u>	<u>(11,386,079)</u>
Gross profit		9,168,611	6,056,150
Administrative expenses		(6,332,817)	(4,369,833)
Other operating income	4	<u>6,114</u>	<u>66,099</u>
Operating profit	6	<u>2,841,908</u>	<u>1,752,416</u>
Other interest receivable and similar income	8	5,494	2,655
Interest payable and similar charges	9	<u>(14,965)</u>	<u>(17,015)</u>
		<u>(9,471)</u>	<u>(14,360)</u>
Profit before tax		2,832,437	1,738,056
Taxation	13	<u>(547,118)</u>	<u>(322,628)</u>
Profit for the financial year		2,285,319	1,415,428
Retained earnings brought forward		3,339,854	2,079,110
Dividends paid		<u>(269,280)</u>	<u>(154,684)</u>
Retained earnings carried forward		<u><u>5,355,893</u></u>	<u><u>3,339,854</u></u>

Safelincs Limited

(Registration number: 04715788) Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	14	2,109	3,234
Tangible assets	15	1,964,529	1,626,700
		<u>1,966,638</u>	<u>1,629,934</u>
Current assets			
Stocks	16	2,870,694	2,088,742
Debtors	17	2,184,976	786,781
Cash at bank and in hand		2,413,116	2,412,986
		<u>7,468,786</u>	<u>5,288,509</u>
Creditors: Amounts falling due within one year	19	<u>(3,037,977)</u>	<u>(2,477,107)</u>
Net current assets		<u>4,430,809</u>	<u>2,811,402</u>
Total assets less current liabilities		6,397,447	4,441,336
Creditors: Amounts falling due after more than one year	19	(828,270)	(998,492)
Provisions for liabilities	20	<u>(212,834)</u>	<u>(102,540)</u>
Net assets		<u>5,356,343</u>	<u>3,340,304</u>
Capital and reserves			
Called up share capital		450	450
Profit and loss account		<u>5,355,893</u>	<u>3,339,854</u>
Total equity		<u>5,356,343</u>	<u>3,340,304</u>

Approved and authorised by the director on 28 July 2022

.....
H Dewick-Eisele
Director

Safelincs Limited

Statement of Changes in Equity for the Year Ended 31 March 2022

	Share capital £	Retained earnings £	Total £
At 1 April 2021	450	3,339,854	3,340,304
Profit for the year	-	2,285,319	2,285,319
Dividends	-	(269,280)	(269,280)
At 31 March 2022	450	5,355,893	5,356,343

	Share capital £	Retained earnings £	Total £
At 1 April 2020	450	2,079,110	2,079,560
Profit for the year	-	1,415,428	1,415,428
Dividends	-	(154,684)	(154,684)
At 31 March 2021	450	3,339,854	3,340,304

Safelincs Limited

Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the year		2,285,319	1,415,428
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	131,015	77,787
Profit on disposal of tangible assets	5	(10,143)	-
Finance income	8	(5,494)	(2,655)
Finance costs	9	14,965	17,015
Income tax expense	13	547,118	322,628
		2,962,780	1,830,203
Working capital adjustments			
Increase in stocks	16	(781,952)	(192,889)
Increase in trade debtors	17	(1,398,195)	(79,908)
Increase in trade creditors	19	648,034	101,144
Cash generated from operations		1,430,667	1,658,550
Income taxes paid	13	(530,289)	(38,725)
Net cash flow from operating activities		900,378	1,619,825
Cash flows from investing activities			
Interest received	8	5,494	2,655
Acquisitions of tangible assets		(473,076)	(124,710)
Proceeds from sale of tangible assets		15,500	-
Net cash flows from investing activities		(452,082)	(122,055)
Cash flows from financing activities			
Interest paid	9	(14,965)	(17,015)
Proceeds from bank borrowing draw downs		(163,921)	385,111
Repayment of other borrowing		-	(5,284)
Dividends paid	25	(269,280)	(154,684)
Net cash flows from financing activities		(448,166)	208,128
Net increase in cash and cash equivalents		130	1,705,898
Cash and cash equivalents at 1 April		2,412,986	707,088
Cash and cash equivalents at 31 March		2,413,116	2,412,986

Safelincs Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

1 General information

The company is a private company limited by share capital incorporated in England & Wales and the company registration number is 04715788.

The address of its registered office is:

33 West Street
Alford
LN13 9FX
England

These financial statements cover the individual entity, Safelincs Limited.

These financial statements were authorised for issue by the director on 28 July 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

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

The financial statements are presented in sterling and are rounded to the nearest pound.

Departure from requirements of FRS 102

No depreciation has been charged on freehold buildings as they are maintained to such a standard that their residual value is not less than their cost. Management have concluded that the above departure does not affect the accounts from showing a true and fair view. Apart from this departure, the company has complied with the relevant accounting standards and legislation.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The Company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the Company's activities.

Government grants

Government grants which become receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the entity with no future related costs, are recognised as income in the period in which they become receivable.

Notes to the Financial Statements for the Year Ended 31 March 2022

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

Depreciation

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

Asset class	Depreciation method and rate
Plant and machinery	15% reducing balance
Leasehold improvements	22.22% straight line
Fixtures and fittings	15% and 33% reducing balance
Motor vehicles	25% reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

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Notes to the Financial Statements for the Year Ended 31 March 2022

Asset class	Amortisation method and rate
Website cost	4 years straight line

Cash and cash equivalents

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

Trade debtors

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

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

Stocks

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

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

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

Trade creditors are recognised at the transaction price.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

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

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Notes to the Financial Statements for the Year Ended 31 March 2022

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

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

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

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Notes to the Financial Statements for the Year Ended 31 March 2022

3 Revenue

The analysis of the Company's Turnover for the year from continuing operations is as follows:

	2022	2021
	£	£
Sale of goods	24,747,854	17,393,629
Rental income from investment property	600	45,600
Grants received	1,273	3,000
	<u>24,749,727</u>	<u>17,442,229</u>

4 Other operating income

The analysis of the Company's other operating income for the year is as follows:

	2022	2021
	£	£
Government grants	784	61,736
Miscellaneous other operating income	5,330	4,363
	<u>6,114</u>	<u>66,099</u>

5 Other gains and losses

The analysis of the Company's other gains and losses for the year is as follows:

	2022	2021
	£	£
Gain on disposal of Tangible assets	<u>10,143</u>	<u>-</u>

6 Operating profit

Arrived at after charging/(crediting)

	2022	2021
	£	£
Depreciation expense	129,890	76,662
Amortisation expense	1,125	1,125
Operating lease expense - plant and machinery	10,136	9,572
Profit on disposal of property, plant and equipment	<u>(10,143)</u>	<u>-</u>

7 Government grants

Coronavirus Job Retention Scheme (CJRS) grants were received during the year to support the company's furlough scheme.

The amount of grants recognised in the financial statements was £784 (2021 - £61,736).

Notes to the Financial Statements for the Year Ended 31 March 2022**8 Other interest receivable and similar income**

	2022	2021
	£	£
Interest income on bank deposits	3,617	2,655
Other finance income	1,877	-
	<u>5,494</u>	<u>2,655</u>

9 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and borrowings	43,965	29,590
Foreign exchange losses	(29,000)	(12,575)
	<u>14,965</u>	<u>17,015</u>

10 Staff costs

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

	2022	2021
	£	£
Wages and salaries	1,710,799	1,332,590
Social security costs	149,474	113,607
Pension costs, defined contribution scheme	194,916	26,836
	<u>2,055,189</u>	<u>1,473,033</u>

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

	2022	2021
	No.	No.
Administration and support	13	11
Research and development	7	8
Sales	24	20
Other departments	34	28
	<u>78</u>	<u>67</u>

Notes to the Financial Statements for the Year Ended 31 March 2022**11 Director's remuneration**

The Director's remuneration for the year was as follows:

	2022	2021
	£	£
Remuneration	8,040	8,040
Contributions paid to money purchase schemes	161,500	1,500
	<u>169,540</u>	<u>9,540</u>

During the year the number of Directors who were receiving benefits and share incentives was as follows:

	2022	2021
	No.	No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

12 Auditors' remuneration

	2022	2021
	£	£
Audit of the financial statements	<u>4,095</u>	<u>4,050</u>

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Notes to the Financial Statements for the Year Ended 31 March 2022

13 Taxation

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

	2022 £	2021 £
Current taxation		
UK corporation tax	448,247	325,523
UK corporation tax adjustment to prior periods	(11,423)	(8,135)
	<u>436,824</u>	<u>317,388</u>
Deferred taxation		
Arising from origination and reversal of timing differences	77,913	5,240
Arising from changes in tax rates and laws	32,381	-
	<u>110,294</u>	<u>5,240</u>
Total deferred taxation	<u>110,294</u>	<u>5,240</u>
Tax expense in the income statement	<u>547,118</u>	<u>322,628</u>

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

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	<u>2,832,437</u>	<u>1,738,056</u>
Corporation tax at standard rate	538,163	330,231
Effect of expense not deductible in determining taxable profit (tax loss)	3,815	8
Deferred tax expense from unrecognised tax loss or credit	110,294	19,483
Tax decrease from effect of capital allowances and depreciation	(27,962)	(19,190)
Tax increase from other short-term timing differences	194	231
Tax decrease from effect of adjustment in research and development tax credit	(11,423)	(8,135)
Other tax effects for reconciliation between accounting profit and tax expense (income)	(65,963)	-
Total tax charge	<u>547,118</u>	<u>322,628</u>

Deferred tax

Deferred tax assets and liabilities

	Asset £	Liability £
2022		
Arising from origination and reversal of timing differences	-	267,835
	-	<u>267,835</u>
2021		
Arising from origination and reversal of timing differences	-	102,540
	-	<u>102,540</u>

Safelincs Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

14 Intangible assets

	Goodwill £	Other intangible assets £	Total £
Cost or valuation			
At 1 April 2021	12,000	35,500	47,500
At 31 March 2022	12,000	35,500	47,500
Amortisation			
At 1 April 2021	12,000	32,266	44,266
Amortisation charge	-	1,125	1,125
At 31 March 2022	12,000	33,391	45,391
Carrying amount			
At 31 March 2022	-	2,109	2,109
At 31 March 2021	-	3,234	3,234

15 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2021	1,557,822	255,842	103,544	1,917,208
Additions	344,430	68,710	59,936	473,076
Disposals	-	-	(27,142)	(27,142)
At 31 March 2022	1,902,252	324,552	136,338	2,363,142
Depreciation				
At 1 April 2021	74,633	176,099	39,776	290,508
Charge for the year	75,335	33,127	21,428	129,890
Eliminated on disposal	-	-	(21,785)	(21,785)
At 31 March 2022	149,968	209,226	39,419	398,613
Carrying amount				
At 31 March 2022	1,752,284	115,326	96,919	1,964,529
At 31 March 2021	1,483,189	79,743	63,768	1,626,700

Included within the net book value of land and buildings above is £1,752,284 (2021 - £1,483,189) in respect of freehold land and buildings.

Notes to the Financial Statements for the Year Ended 31 March 2022

	2022 £	2021 £
Finished goods and goods for resale	2,870,694	2,088,742

17 Debtors

	2022 £	2021 £
Current		
Trade debtors	1,419,054	509,795
Other debtors	554,521	186,346
Prepayments	117,420	90,640
Accrued income	93,981	-
	<u>2,184,976</u>	<u>786,781</u>

18 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	245	380
Cash at bank	708,350	858,085
Short-term deposits	1,704,521	1,554,521
	<u>2,413,116</u>	<u>2,412,986</u>

19 Creditors

	Note	2022 £	2021 £
Due within one year			
Loans and borrowings	23	167,528	161,227
Trade creditors		2,035,997	1,487,754
Social security and other taxes		502,556	375,072
Outstanding defined contribution pension costs		7,371	4,939
Other payables		23,930	62,341
Accruals		68,537	60,251
Income tax liability	13	232,058	325,523
		<u>3,037,977</u>	<u>2,477,107</u>
Due after one year			
Loans and borrowings	23	828,270	998,492

20 Provisions for liabilities

	Deferred tax £	Total £
At 1 April 2021	102,540	102,540
Additional provisions	110,294	110,294
At 31 March 2022	<u>212,834</u>	<u>212,834</u>

Safelincs Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

21 Pension and other schemes

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £194,916 (2021 - £26,836).

Contributions totalling £7,371 (2021 - £4,939) were payable to the scheme at the end of the year and are included in creditors.

22 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary share capital of £0.001 each	450,000	450.00	450,000	450.00

23 Loans and borrowings

	2022 £	2021 £
Non-current loans and borrowings		
Bank borrowings	828,270	998,492

	2022 £	2021 £
Current loans and borrowings		
Bank borrowings	167,528	161,227

Bank borrowings

Lloyds Loan 1 is denominated in pound sterling with a nominal interest rate of 4.16%, and the final instalment is due on 1 June 2027. The carrying amount at year end is £117,008 (2021 - £136,547).

Lloyds Loan 2 is denominated in pound sterling with a nominal interest rate of 3.15%, and the final instalment is due on 27 June 2028. The carrying amount at year end is £199,185 (2021 - £228,232).

Lloyds Loan 3 is denominated in pound sterling with a nominal interest rate of 3.85%, and the final instalment is due on 25 February 2029. The carrying amount at year end is £290,164 (2021 - £326,993).

Coronavirus Business Interruption Loan Scheme is denominated in pound sterling with a nominal interest rate of 2.87%, and the final instalment is due on 26 November 2026. The carrying amount at year end is £389,441 (2021 - £467,947).

The bank loans are secured by way of a charge on 33 West Street, Alford and Alford Maltings and Land to the rear of 29 West Street Alford.

Safelincs Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

24 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	14,575	-
Later than one year and not later than five years	34,222	-
	<u>48,797</u>	<u>-</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £10,285 (2021 - £9,412).

25 Dividends

Interim dividends paid

	2022 £	2021 £
Interim dividend of £598.40 (2021 - £343.74) per each Ordinary share capital	269,280	154,684
	<u>269,280</u>	<u>154,684</u>

26 Related party transactions

Key management compensation

	2022 £	2021 £
Salaries and other short term employee benefits	169,540	9,540
	<u>169,540</u>	<u>9,540</u>

Transactions with the Director

	At 1 April 2021 £	Advances to Director £	Repayments by Director £	At 31 March 2022 £
2022 H Dewick-Eisele Loan to Director with a nominal interest rate of 2%	59	569,649	(269,707)	300,001
	<u>59</u>	<u>569,649</u>	<u>(269,707)</u>	<u>300,001</u>
	At 1 April 2020 £	Advances to Director £	Repayments by Director £	At 31 March 2021 £
2021 H Dewick-Eisele Loan to Director with a nominal interest rate of 2%	(5,284)	160,690	(155,347)	59
	<u>(5,284)</u>	<u>160,690</u>	<u>(155,347)</u>	<u>59</u>

Dividends paid to the Director and related parties
Safelincs Limited

	2022	2021
Notes to the Financial Statements for the Year Ended 31 March 2022	£	£

H Dewick-Eisele and immediate family

269,280

154,684

Summary of transactions with other related parties

Alford Corn Exchange Community Group

H W Dewick-Eisle (director) is the Chairman of the group

A donation of £2,090 (2021: £2,000) was made to the related party during the year.

Loans to related parties

Terms of loans to related parties

A loan of £300,000 was made from the company to the director and interest is paid at 2.04% per annum on a monthly basis.