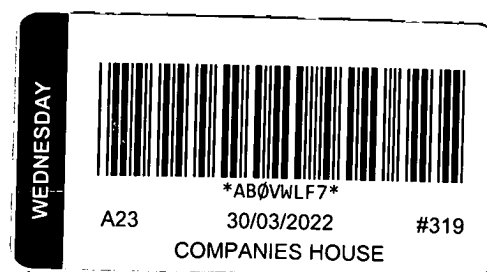


Registered number: 10648520

**FABLINK GROUP HOLDINGS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**



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**FABLINK GROUP HOLDINGS LIMITED**

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**COMPANY INFORMATION**

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<b>Director</b>	R Westley
<b>Registered number</b>	10648520
<b>Registered office</b>	Unit 2 Quarry Road Brixworth Northampton NN6 9UB
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor The Colmore Building 20 Colmore Circus Birmingham West Midlands B4 6AT
<b>Bankers</b>	HSBC Bank 62 George White Street Cabot Circus Bristol BS1 3BA
<b>Solicitors</b>	Harrison Clark Rickerbys Ellensborough House Wellington Street Cheltenham GL50 1YD

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**FABLINK GROUP HOLDINGS LIMITED**

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**CONTENTS**

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	Page
<b>Group Strategic Report</b>	1 - 3
<b>Director's Report</b>	4 - 6
<b>Independent Auditor's Report</b>	7 - 12
<b>Consolidated Statement of Comprehensive Income</b>	13
<b>Consolidated Statement of Financial Position</b>	14
<b>Company Statement of Financial Position</b>	15
<b>Consolidated Statement of Changes in Equity</b>	16
<b>Company Statement of Changes in Equity</b>	17
<b>Consolidated Statement of Cash Flows</b>	18 - 19
<b>Notes to the Financial Statements</b>	20 - 43

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**FABLINK GROUP HOLDINGS LIMITED**

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**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Introduction**

The director presents the Group's strategic report for the year ended 31 March 2021.

The principal activity of the Group remains the supply of pressings, cabs, assemblies and new product development services to the off-highway, power generation, automotive and commercial vehicle market sectors.

The principal activity of the Company was that of a holding Company.

**Business review**

Given the significant impact and disruption of Covid around the globe, Group turnover fell to just under £45m for the year, a drop from the previous year's sales of £53m.

The effects of Covid were widespread across our facilities. Initially, complete shutdown of all factories led to the furloughing of over 95% of employees. Once we were able to open the sites, positive levels of demand were handicapped by high levels of Covid related absenteeism as well as labour and raw material shortages and general supply chain challenges for most of our customers, affecting their continuity of build. This made for an extremely tough operational environment and trading conditions.

Inevitably, the above effects combined to suppress margins and profit performance for the year. Despite this, the Director is pleased to report a positive EBITDA performance for the year of £426k (2020: £1.6m).

These results stand the Group in good stead as we continue to consolidate our position in our established markets whilst also broadening our process and product capabilities, supporting our strategy of targeting new markets.

As mentioned in previous reports, HSBC continue to be strong supporters of the Group and their confidence in the business during the peak of the Covid pandemic has been key. A recent refinancing of loan facilities with HSBC has also provided the Group with a long term funding platform to deliver on its future strategic plans.

Customer sentiment for 2022 is one of optimism and the current sales orderbook sits at record levels. The business continues to be successful in winning new contracts which will increase the dilution of our revenue streams across a broadened customer base.

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**FABLINK GROUP HOLDINGS LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Principal risks and uncertainties**

The Group's principal financial instruments comprise a revolving credit facility, term loan, government backed CLBI loan, invoice discounting facility, inter group loans, finance leases and hire purchase agreements and cash. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors which arise directly from its operations. The Group does not enter into derivative transactions.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are interest rate risk, commodity price risk, foreign currency risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

**Interest rate risk**

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations which includes its revolving credit facility, term loan, government backed CLBI loan, invoice discounting facilities, finance leases and hire purchase agreements. The Group's policy is to manage its interest cost using variable rate debt. The Group's policy is to utilise the undrawn proportion of funds on its invoice discounting arrangement for its cashflow needs. The Group exposure to interest rate fluctuations on its borrowings is managed by the use of floating facilities. The Group finances specific large plant acquisitions via finance leases and hire purchase agreements secured specifically on the assets being acquired.

**Commodity price risk**

The Group's exposure to the price of steel is high, therefore selling prices are monitored regularly to reduce the impact of such risk. The Group also buys the majority of its steel through customer negotiated contracts with suppliers. This allows for selling prices to be changed in line with changes in steel prices, again reducing the risk.

**Foreign currency risk**

Sales to customers outside the United Kingdom are transacted in Sterling and movements in exchange rates do therefore not affect the Group's profits.

**Liquidity risk**

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of a mix of shorter and longer term financing arrangements. The director believes the Group has adequate financing facilities available for the foreseeable future.

**COVID-19**

The global pandemic of Covid-19 resulted in the temporary closure of all our customers operations from the end of March 2020 to May 2020. As a consequence the director took the decision to close all the Fablink sites during this period. This was also to ensure the safety and wellbeing of all employees and to comply with the government guidelines at that time. During this unprecedented period of shutdown, the Group furloughed around 97% of the workforce and applied for support under the Coronavirus Job Retention Scheme. This time also allowed the sites to put in place strict social distancing measures and the necessary Personal Protective Equipment to protect the employees and help prevent the spread of the virus.

During this time the Group assessed its funding needs based on a worst case downside scenario, which included an extended shutdown of several months and a long and gradual return to a normal level of trading activity. As a result and on the basis of financial prudence, the Group subsequently extended its bank facilities to include a loan under the CLBIL scheme.

Gradually during June 2020 Fablink was able to unfurlough employees and recommence production. Trading activity in the following months continued to improve with the Group starting to reach near pre-Covid levels of activity by the autumn. As such the lockdown period was much shorter and the return of work much quicker than forecast above.

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**FABLINK GROUP HOLDINGS LIMITED**


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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**


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The other periods of government lockdown have not affected the business in the same way, with all sites and customers remaining operational. As a consequence the Group is now in a strong position from a cash and liquidity perspective.

**Financial key performance indicators**

During the period, the performance of the Group was monitored using key performance indicators which included sales, profit before tax and earnings before interest, tax, depreciation and amortisation (EBITDA).

	2021	2020
	£000s	£000s
Sales	44,855	52,989
(Loss)/profit before tax	(984)	342
EBITDA	426	1,647

**Director's statement of compliance with duty to promote the success of the Group**

The director considers that he has acted in a way that promotes the success of the Group for the benefit of its members as a whole having due regard to the interests of stakeholders and matters set out in s172(1) Companies Act 2006.

The aim is to maintain the Group's market leading position as a go-to supplier in an extremely competitive sector and to deliver a long term beneficial impact to shareholders and stakeholders alike, achieved through controlled and manageable growth with strict budgetary control and regular performance reviews.

Strategic decisions are based on medium and long term objectives, in particular the policy of continued investment in the latest production technologies to ensure high quality and efficient output and an ongoing competitive edge in the market.

Our employees are fundamental to the delivery of our strategy. We aim, at all times, to be a responsible employer, with a sound recruitment policy targeting the best experienced and qualified staff to whom we offer competitive salaries and learning and development opportunities. The health and safety of our employees is of paramount importance to the board and a primary consideration in how we do business.

Our impact on the environment is managed at an operational level, supported by a central Health, Safety and Environmental executive team member. The Group has an environmental policy system and maintains an environmental management system which meets the requirements of ISO 14001:2015.

Our customers value our high degree of expertise, reliability and we have built a reputation based on integrity and fair dealings with both our customers and suppliers.

It is the director's intention to behave responsibly and ensure the management operate the business in a responsible and ethical manner. Furthermore, it is the director's intention to behave responsibly towards the shareholders and treat them fairly and responsibly so that they all benefit from the success of the business.

This report was approved by the board on 29/3/2022

and signed on its behalf.

*Richard Westley*

**R Westley**  
Director

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**FABLINK GROUP HOLDINGS LIMITED**

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**DIRECTOR'S REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

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The director presents his report and the financial statements for the year ended 31 March 2021.

**Results and dividends**

The loss for the year, after taxation, amounted to £786,805 (2020: profit £308,432).

A dividend of £Nil was paid in the year (2020: £142,250).

**Director**

The director who served during the year was:

R Westley

**Director's Responsibilities Statement**

The director is responsible for preparing the Group Strategic Report, the Director's Report and the consolidated 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and profit or loss of the Company and Group for that period. In preparing these financial statements, the director is 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 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**FABLINK GROUP HOLDINGS LIMITED**

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**DIRECTOR'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Going concern**

The director has reviewed the financial position of the Group and believes that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The director has considered relevant information, including the annual budget, forecast cash flows and the impact of the refinancing that was formally agreed in December 2021 and provides the group with additional liquidity and long term security.

Monthly trading and cashflow forecasts for the period to 31 March 2023 were prepared to reflect a plausible downside scenario, taking into consideration the potential effects of economic uncertainty caused by the Covid-19 pandemic. The forecasts demonstrate that headroom on available facilities is significant and that all financial covenants are highly likely to be met throughout the period ending 31 March 2023.

Given the strong liquidity position and ongoing activity levels for the Group, the director believes that the Group is well placed to manage its business risks successfully and will continue to have sufficient cash resources for the foreseeable future. Based on the above, the director believes it remains appropriate to prepare the financial statements on a going concern basis.

**Employee involvement**

The Group is committed to promoting policies to ensure that employees and those who seek to work for the Group are treated equally regardless of sex, marital status, age, creed, race or ethnic origin. The Group gives full and fair consideration to applications for employment received from people with disabilities, having regard for their particular aptitudes and abilities. The Group's policy is to provide equal opportunities to its entire staff on the basis of objective criteria and personal merit.

**Qualifying third party indemnity provisions**

The Group has provided qualifying third party indemnity provisions in respect of the director which were in force during the period and at the date of the report.

**Greenhouse gas emissions, energy consumption and energy efficiency action**

None of the company's UK subsidiaries are large companies and, therefore, are not obliged to report under the SECR regulations. Accordingly, the company has excluded the data from these companies from its report. The parent company consumes less than 40MWh of energy per year and is, therefore, exempt from providing full disclosure in this directors' report.

**Matters covered in the Strategic Report**

For a review of the business, details of financial risk objectives and policies and engagement with suppliers, customers and others, please refer to the Group Strategic Report.

**Post balance sheet events**

During December 2021 the Group refinanced and extended its bank facilities. The Group entered into a new £8m loan agreement under the Recovery Loan Scheme. The loan is payable over six years, with no payments in year 1, followed by sixty equal monthly payments of £133,333. At the same time the balance of the loan under the government backed CLBILS scheme, £4.7m, was repaid in full.

The Group revolving credit facility was also increased to £2.5m and extended until December 2025.

This new capital structure puts the group in a strong position, with significant cash availability and liquidity to deliver on its future strategic plans.

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**FABLINK GROUP HOLDINGS LIMITED**

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**DIRECTOR'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Disclosure of information to auditor**

The director confirms that:

- so far as he is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

**Independent auditors**

The auditors, Grant Thornton UK LLP, will not seek reappointment as external auditors of the company for next financial year.

This report was approved by the board on 29/3/2022 and signed on its behalf.

*Richard Westley*

**R Westley**  
Director



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FABLINK GROUP HOLDINGS LIMITED

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### Qualified Opinion

We have audited the financial statements of Fablink Group Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity 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, except for matter described in the basis for the qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2021 and of the Group's loss 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 qualified opinion

With respect stock held by one of the group's subsidiaries, Fablink UK Limited, having a carrying value of £1,991,795 at 31 March 2020, the audit evidence available to us was limited because we did not observe the counting of the physical stock as at 31 March 2020 since management was unable to perform a physical stock count on that date due to government restrictions. Owing to the nature of the respective Company's records, we were unable to obtain sufficient appropriate audit evidence regarding the stock quantities by using other audit procedures. Consequently, we were unable to determine whether any adjustment to this amount at 31 March 2020 was necessary or whether there was any consequential effect on the cost of sales for the year ended 31 March 2021.

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 the 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and the parent Company to cease to continue as a going concern.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FABLINK GROUP HOLDINGS LIMITED  
(CONTINUED)**

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In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and of the parent Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the director and the related disclosures and analysed how those risks might affect the Group's and of the parent Company's financial resources or ability to continue operations over the going concern period.

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 of the 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.

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.

The responsibilities of the director with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

**Other information**

The director is 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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the inventory quantities of £1,991,975 held at 31 March 2020. We have concluded that where the other information refers to the inventory balance or related balances such as cost of sales, it may be materially misstated for the same reason.

**Qualified opinion on other matters prescribed by the Companies Act 2006**

Except for the matter described in the Basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

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



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FABLINK GROUP HOLDINGS LIMITED  
(CONTINUED)**

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**Matter on which we are required to report under the Companies Act 2006**

Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Director's Report.

**Matters on which we are required to report by exception**

In respect solely to the issue described in the basis for qualified opinion section of our report:

- We have not obtained all the information and explanations that were considered necessary for the purpose of our audit and
- We were unable to determine whether adequate accounting records have been kept.

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:

- 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.

**Responsibilities of directors for the financial statements**

As explained more fully in the Director's Responsibilities Statement, 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 Group's and 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 director either intends to liquidate the Group or the parent Company or to cease operations, or has no realistic alternative but to do so.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FABLINK GROUP HOLDINGS LIMITED  
(CONTINUED)**

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**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 for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

**Explanation as to what extent 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, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the parent company and the group and the industry in which they operate. We determined that the following laws and regulations were most significant: FRS 102 and the Companies Act 2006.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We enquired of management and those charged with governance, concerning the Group and parent Company's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations; and
  - the detection and response to the risks of fraud.
- We enquired of management and those charged with governance, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- In addition, we concluded that there are certain specific laws and regulations that may have an effect on the determination of amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental and bribery and corruptions matters.
- We corroborated the results of our enquires to relevant supporting documentation.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FABLINK GROUP HOLDINGS LIMITED  
(CONTINUED)**

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- Audit procedures performed by the engagement team included:
  - evaluation of the programmes and controls established to address the risks related to irregularities and fraud;
  - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
  - identifying and testing related party transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the client operates;
  - understanding of the legal and regulatory requirements specific to the Group and parent Company's including:
    - the provisions of the applicable legislation;
    - the applicable statutory provisions.
- Communications within the audit team in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in relation to the estimation and judgemental areas with a risk of fraud and through management override of controls in the preparation of the financial statements.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Group and parent Company's operations, including the nature of its revenue sources and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
  - the applicable statutory provisions;
  - the Group and parent Company's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the Group and parent Company's compliance with regulatory requirements.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FABLINK GROUP HOLDINGS LIMITED  
(CONTINUED)**

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**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.

*Grant Thornton UK LLP*

Andrew Turner FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Birmingham  
Date: 29/3/2022

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**FABLINK GROUP HOLDINGS LIMITED**


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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021**


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	Note	2021 £	2020 £
Turnover	4	44,854,789	52,988,903
Cost of sales		(41,879,093)	(47,065,622)
<b>Gross profit</b>		<b>2,975,696</b>	<b>5,923,281</b>
Distribution costs		(1,331,465)	(1,493,761)
Administrative expenses		(4,923,183)	(3,915,173)
Exceptional administrative expenses	12	(208,823)	-
Other operating income	5	2,858,660	104,377
<b>Operating (loss)/profit</b>	6	<b>(629,115)</b>	<b>618,724</b>
Interest payable and similar expenses	10	(355,132)	(276,662)
<b>(Loss)/profit before taxation</b>		<b>(984,247)</b>	<b>342,062</b>
Tax on (loss)/profit	11	197,442	(33,630)
<b>(Loss)/profit for the financial year</b>		<b>(786,805)</b>	<b>308,432</b>
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the parent Company		(786,805)	308,432
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the parent Company		(786,805)	308,432

There were no recognised gains and losses for 2021 or 2020 other than those included in the Consolidated Statement of Comprehensive Income.

There was no other comprehensive income for 2021 (2020: £Nil).

All amounts relate to continuing operations.

The notes on pages 20 to 43 form part of these financial statements.

**FABLINK GROUP HOLDINGS LIMITED**  
**REGISTERED NUMBER:10648520**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	13	278,925	343,086
Tangible assets	15	7,710,462	7,804,198
Investments	16	75,000	-
		<u>8,064,387</u>	<u>8,147,284</u>
<b>Current assets</b>			
Stocks	17	5,956,267	5,635,655
Debtors: amounts falling due within one year	18	12,241,467	10,031,716
Cash at bank and in hand	19	189,623	143,164
		<u>18,387,357</u>	<u>15,810,535</u>
Creditors: amounts falling due within one year	20	<u>(17,455,796)</u>	<u>(15,529,309)</u>
<b>Net current assets</b>		<b>931,561</b>	<b>281,226</b>
<b>Total assets less current liabilities</b>			
		<u>8,995,948</u>	<u>8,428,510</u>
Creditors: amounts falling due after more than one year	21	<b>(7,023,940)</b>	<b>(5,524,415)</b>
<b>Provisions for liabilities</b>			
Deferred taxation	25	-	<b>(145,282)</b>
		<u>-</u>	<u>(145,282)</u>
<b>Net assets</b>		<b>1,972,008</b>	<b>2,758,813</b>
<b>Capital and reserves</b>			
Called up share capital	26	100	100
Other reserves	27	1,466,284	1,466,284
Profit and loss account	27	505,624	1,292,429
<b>Equity attributable to owners of the parent Company</b>		<b>1,972,008</b>	<b>2,758,813</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29/3/2022

*Richard Westley*  
**R Westley**  
 Director

The notes on pages 20 to 43 form part of these financial statements.

**FABLINK GROUP HOLDINGS LIMITED**  
**REGISTERED NUMBER:10648520**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	16	3,116,046	3,041,046
		<u>3,116,046</u>	<u>3,041,046</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	18	3,228,187	1,166,422
Cash at bank and in hand	19	30,558	-
		<u>3,258,745</u>	<u>1,166,422</u>
Creditors: amounts falling due within one year	20	(950,514)	(20,751)
<b>Net current assets</b>		<u>2,308,231</u>	<u>1,145,671</u>
<b>Total assets less current liabilities</b>		<u>5,424,277</u>	<u>4,186,717</u>
Creditors: amounts falling due after more than one year	21	(4,819,009)	(2,720,333)
<b>Net assets</b>		<u>605,268</u>	<u>1,466,384</u>
<b>Capital and reserves</b>			
Called up share capital	26	100	100
Other reserves	27	1,466,284	1,466,284
Profit and loss account	27	(861,116)	-
		<u>605,268</u>	<u>1,466,384</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax for the parent Company was £861,116 (2020: profit of £236,250).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29/3/2022

*Richard Westley*

**R Westley**  
Director

The notes on pages 20 to 43 form part of these financial statements.

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**FABLINK GROUP HOLDINGS LIMITED**


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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**


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	Called up share capital	Merger reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2020	100	1,466,284	1,292,429	2,758,813
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(786,805)	(786,805)
<b>Total comprehensive income for the year</b>	-	-	(786,805)	(786,805)
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 March 2021</b>	<b>100</b>	<b>1,466,284</b>	<b>505,624</b>	<b>1,972,008</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**


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	Called up share capital	Merger reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2019	100	1,466,284	1,126,247	2,592,631
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	308,432	308,432
<b>Total comprehensive income for the year</b>	-	-	308,432	308,432
Dividends: Equity capital	-	-	(142,250)	(142,250)
<b>Total transactions with owners</b>	-	-	(142,250)	(142,250)
<b>At 31 March 2020</b>	<b>100</b>	<b>1,466,284</b>	<b>1,292,429</b>	<b>2,758,813</b>

The notes on pages 20 to 43 form part of these financial statements.

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**FABLINK GROUP HOLDINGS LIMITED**


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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**


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	Called up share capital	Merger reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2020	100	1,466,284	-	1,466,384
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(861,116)	(861,116)
<b>Total comprehensive income for the year</b>	-	-	(861,116)	(861,116)
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 March 2021</b>	<b>100</b>	<b>1,466,284</b>	<b>(861,116)</b>	<b>605,268</b>

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**


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	Called up share capital	Merger reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2019	100	1,466,284	(94,000)	1,372,384
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	236,250	236,250
<b>Total comprehensive income for the year</b>	-	-	236,250	236,250
Dividends: Equity capital	-	-	(142,250)	(142,250)
<b>Total transactions with owners</b>	-	-	(142,250)	(142,250)
<b>At 31 March 2020</b>	<b>100</b>	<b>1,466,284</b>	<b>-</b>	<b>1,466,384</b>

The notes on pages 20 to 43 form part of these financial statements.

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**FABLINK GROUP HOLDINGS LIMITED**


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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**


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	2021 £	2020 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(786,805)	308,432
<b>Adjustments for:</b>		
Amortisation of intangible assets	64,161	24,752
Depreciation of tangible assets	991,402	1,003,522
Profit on disposal of tangible assets	-	(6,570)
Interest payable	355,133	276,662
Taxation charge	(197,442)	33,630
(Increase) in stocks	(320,612)	(954,349)
(Increase)/decrease in debtors	(2,157,567)	252,905
Increase/(decrease) in creditors	2,658,611	(914,133)
<b>Net cash generated from operating activities</b>	<b>606,881</b>	<b>24,851</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(738,331)	(641,879)
Sale of tangible fixed assets	-	46,511
Purchase of trade investments	(75,000)	-
Purchase of trade and assets	-	(544,438)
HP interest paid	(123,415)	(116,171)
<b>Net cash from investing activities</b>	<b>(936,746)</b>	<b>(1,255,977)</b>

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**FABLINK GROUP HOLDINGS LIMITED**


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**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**


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	2021 £	2020 £
<b>Cash flows from financing activities</b>		
New secured loans	5,000,000	2,400,000
Repayment of loans	(1,827,084)	-
Repayment of/new finance leases	(631,523)	(834,814)
Dividends paid	-	(142,250)
Interest paid	(231,718)	(160,491)
Movement in invoice discounting	(1,682,027)	116,620
Repayment of shareholder loans	(251,324)	(25,000)
<b>Net cash used in financing activities</b>	<b>376,324</b>	<b>1,354,065</b>
<b>Net increase in cash and cash equivalents</b>	<b>46,459</b>	<b>122,939</b>
Cash and cash equivalents at beginning of year	143,164	20,225
<b>Cash and cash equivalents at the end of year</b>	<b>189,623</b>	<b>143,164</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	189,623	143,164

The notes on pages 20 to 43 form part of these financial statements.

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**FABLINK GROUP HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**1. General information**

Fablink Group Holdings Limited is a private limited company limited by shares and incorporated in England and Wales. Its registered head office is located at Unit 2, Quarry Road Brixworth, Northampton, NN6 9UB.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

**Parent company disclosure exemptions**

In preparing the separate financial statements of the parent Company, advantage has been taken of the following disclosure exemptions available under FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations of the Group and the parent Company would be identical;
- No statement of cash flows has been presented for the parent Company;
- Disclosures in respect of the parent Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosure have been given for the aggregate remuneration of the key management personnel of the parent Company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

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**FABLINK GROUP HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.3 Going concern**

The director has reviewed the financial position of the Group and believes that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The director has considered relevant information, including the annual budget, forecast cash flows and the impact of the refinancing that was formally agreed in December 2021 and provides the group with additional liquidity and long term security.

Monthly trading and cashflow forecasts for the period to 31 March 2023 were prepared to reflect a plausible downside scenario, taking into consideration the potential effects of economic uncertainty caused by the Covid-19 pandemic. The forecasts demonstrate that headroom on available facilities is significant and that all financial covenants are highly likely to be met throughout the period ending 31 March 2023.

Given the strong liquidity position and ongoing activity levels for the Group, the director believes that the Group is well placed to manage its business risks successfully and will continue to have sufficient cash resources for the foreseeable future. Based on the above, the director believes it remains appropriate to prepare the financial statements on a going concern basis.

**2.4 Revenue**

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

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

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**FABLINK GROUP HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.5 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

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

**2.6 Operating leases: the Group as lessee**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.7 Government grants**

Other operating income includes amounts receivable under the Coronavirus Job Retention Scheme ("CJRS") to reimburse the Group for the wages of certain employees who were furloughed during the period but who remained on the Group's payroll. As this scheme involves a transfer of resources from government to the entity, it meets the definition of a government grant.

The scheme is designed to compensate for staff costs and therefore amounts received are recognised in the income statement over the same period as the costs to which they relate.

**2.8 Finance costs**

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

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**FABLINK GROUP HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.9 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.10 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

**2.11 Current and deferred taxation**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

**2.12 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

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**FABLINK GROUP HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)****2.13 Intangible assets****Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Positive goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life of 10 years. Negative goodwill is amortised over the period in which the assets to which it relates are consumed or realised by the entity.

**2.14 Tangible fixed assets**

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 5 - 15 years
Fixtures and fittings	- 2 - 4 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.15 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.16 Stocks**

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

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.17 Debtors**

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

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**FABLINK GROUP HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.18 Cash and cash equivalents**

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.19 Creditors**

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

**2.20 Finance leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

**2.21 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

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**FABLINK GROUP HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.22 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

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

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

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.23 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

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

**Stock**

Certain factors could affect the realisable value of the Group's stocks, including customer demand and market conditions. The Group considers usage, anticipated sales prices (refer to carrying amount on Note 17), effect of new product introductions, product obsolescence and other factors when evaluating the value.

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**FABLINK GROUP HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**4. Turnover**

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Sale of goods	<u>44,854,789</u>	<u>52,988,903</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	42,359,977	51,677,019
Rest of Europe	2,117,354	1,167,085
Rest of the world	377,458	144,799
	<u>44,854,789</u>	<u>52,988,903</u>

**5. Other operating income**

	2021 £	2020 £
Other operating income	<u>2,858,660</u>	<u>104,377</u>

Other operating income includes amounts receivable under the Coronavirus Job Retention Scheme ("CJRS") to reimburse the Company for the wages of certain employees who were furloughed during the period but who remained on the Company's payroll. As this scheme involves a transfer of resources from government to the entity, it meets the definition of a government grant.

The scheme is designed to compensate for staff costs and therefore amounts received are recognised in the income statement over the same period as the costs to which they relate.

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**FABLINK GROUP HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**6. Operating (loss)/profit**

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

	<b>2021</b>	<b>2020</b>
	£	£
Amortisation of goodwill	<b>64,161</b>	24,752
Depreciation of tangible fixed assets - owned by the Group	<b>514,110</b>	549,302
Depreciation of tangible fixed assets - held under finance leases	<b>477,292</b>	454,220
Profit on disposal of fixed assets	-	6,570
Exchange differences	<b>32,303</b>	-
Operating lease rentals - land and buildings	<b>1,265,871</b>	1,225,378
Operating lease rentals - plant and machinery	<b>264,130</b>	315,500
	<u><u>          </u></u>	<u><u>          </u></u>

**7. Auditor's remuneration**

	<b>2021</b>	<b>2020</b>
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<b>8,000</b>	5,500
	<u>          </u>	<u>          </u>

**Fees payable to the Group's auditor and its associates in respect of:**

Audit of the Group's subsidiaries	<b>60,000</b>	55,000
Taxation compliance services	-	9,250
Taxation advisory services	<b>1,500</b>	2,200
Other accounting services	<b>3,000</b>	2,500
	<u><u>64,500</u></u>	<u><u>68,950</u></u>

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**FABLINK GROUP HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**8. Employees**

Staff costs, including director's remuneration, were as follows:

	<b>Group 2021</b>	<i>Group 2020</i>	<b>Company 2021</b>	<i>Company 2020</i>
	£	£	£	£
Wages and salaries	<b>14,727,564</b>	15,905,561	-	-
Social security costs	<b>1,324,786</b>	1,257,419	-	-
Cost of defined contribution scheme	<b>399,542</b>	355,673	-	-
	<b>16,451,892</b>	17,518,653	-	-

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

	<b>2021 No.</b>	<i>2020 No.</i>
Production	<b>520</b>	598
Sales and distribution	<b>6</b>	5
Admin	<b>49</b>	60
	<b>575</b>	663

The Company has no employees other than the director, who was remunerated by other group companies in both the current and prior period.

**9. Director's remuneration**

	<b>2021 £</b>	<i>2020 £</i>
Director's emoluments	<b>370,000</b>	175,000
Company contributions to defined contribution pension schemes	<b>10,479</b>	2,277
	<b>380,479</b>	177,277

During the year retirement benefits were accruing to 1 director (2020: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £370,000 (2020: £175,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,479 (2020: £2,277).

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**FABLINK GROUP HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**10. Interest payable and similar expenses**

	2021 £	2020 £
Bank interest payable	171,742	104,670
Finance leases and hire purchase contracts	123,415	116,171
Other interest payable	59,975	55,821
	<u>355,132</u>	<u>276,662</u>

**11. Taxation**

	2021 £	2020 £
<b>Corporation tax</b>		
Current year tax credit	(19,136)	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	(156,617)	39,668
Adjustment to the tax charge in respect of previous periods	(21,689)	(6,038)
<b>Total deferred tax</b>	<u>(178,306)</u>	<u>33,630</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(197,442)</u>	<u>33,630</u>

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**FABLINK GROUP HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**11. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
(Loss)/profit on ordinary activities before tax	<u>(984,247)</u>	<u>342,062</u>
(Loss)/Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(187,007)	64,992
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill	12,191	15,747
Expenses not deductible for tax purposes	10,040	20,629
Fixed asset differences	8,159	(3,800)
Additional deduction for R&D expenditure	(19,136)	(70,395)
Adjustments to tax charge in respect of prior periods - deferred tax	(21,689)	(6,038)
Changes in tax rates leading to an increase/(decrease) in the tax charge	-	7,573
Deferred tax not recognised	-	4,922
<b>Total tax charge for the year</b>	<u><u>(197,442)</u></u>	<u><u>33,630</u></u>

**Factors that may affect future tax charges**

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements however this is likely to affect future tax charges.

**12. Exceptional items**

	2021 £	2020 £
Re-organisation costs	<u><u>208,823</u></u>	<u><u>-</u></u>

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**FABLINK GROUP HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**13. Intangible assets****Group and Company**

	Goodwill £	Negative goodwill £	Total £
<b>Cost</b>			
At 1 April 2020	828,808	(295,209)	533,599
At 31 March 2021	<u>828,808</u>	<u>(295,209)</u>	<u>533,599</u>
<b>Amortisation</b>			
At 1 April 2020	248,642	(58,129)	190,513
Charge for the year	82,881	(18,720)	64,161
At 31 March 2021	<u>331,523</u>	<u>(76,849)</u>	<u>254,674</u>
<b>Net book value</b>			
At 31 March 2021	<u>497,285</u>	<u>(218,360)</u>	<u>278,925</u>
At 31 March 2020	<u>580,166</u>	<u>(237,080)</u>	<u>343,086</u>

Amortisation of intangible fixed assets is included in administration expenses.

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**FABLINK GROUP HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**14. Analysis of net debt**

	At 1 April 2020 £	Cash flows £	New loans £	New finance leases £	At 31 March 2021 £
Cash at bank and in hand	143,164	46,459	-	-	189,623
Bank loans	(2,400,000)	1,827,084	(5,000,000)	-	(5,572,916)
Invoice discounting	(4,644,622)	1,682,027	-	-	(2,962,595)
Finance leases	(3,185,308)	631,523	-	(159,363)	(2,713,148)
	<u>(10,086,766)</u>	<u>4,187,093</u>	<u>(5,000,000)</u>	<u>(159,363)</u>	<u>(11,059,036)</u>

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**FABLINK GROUP HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**15. Tangible fixed assets****Group**

	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 April 2020	9,499,472	775,361	10,274,833
Additions	789,940	107,726	897,666
At 31 March 2021	<u>10,289,412</u>	<u>883,087</u>	<u>11,172,499</u>
<b>Depreciation</b>			
At 1 April 2020	2,010,347	460,288	2,470,635
Charge for the year on owned assets	840,968	150,434	991,402
At 31 March 2021	<u>2,851,315</u>	<u>610,722</u>	<u>3,462,037</u>
<b>Net book value</b>			
At 31 March 2021	<u>7,438,097</u>	<u>272,365</u>	<u>7,710,462</u>
At 31 March 2020	<u>7,489,125</u>	<u>315,073</u>	<u>7,804,198</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Plant and machinery	<u>4,058,059</u>	<u>4,361,788</u>

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**FABLINK GROUP HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**16. Fixed asset investments****Company**

	Investments in subsidiary companies £	Trade investments £	Total £
<b>Cost or valuation</b>			
At 1 April 2020	3,041,046	-	3,041,046
Additions	-	75,000	75,000
At 31 March 2021	<u>3,041,046</u>	<u>75,000</u>	<u>3,116,046</u>

**Direct subsidiary undertakings**

The following were direct subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Fablink Limited	Arcwell Works Stafford Road, Fordhouses, Wolverhampton, West Midlands, WV10 7EJ	Holding company	Ordinary	100%
Fablink Cab Systems Limited	Unit 2 Quarry Road, Brixworth Industrial Estate, Brixworth, Northampton, NN6 9UB	Manufacturing of fabricated metals	Ordinary	100%
Fablink Tank Systems Limited	Fablink Tank Systems Ltd Evenwood, Bishop Auckland, Co Durham, DL14 9NJ	Manufacturing of fabricated metals	Ordinary	100%
Global Supply Chain Solutions Limited	C/O Fablink Unit 2 Quarry Road, Brixworth Industrial Estate, Brixworth, Northampton, United Kingdom, NN6 9UB	Manufacturing of fabricated metals	Ordinary	100%
Streamline Panels and Assemblies Limited	24 Galowhill Road, Brackmills Industrial Estate, Northampton, NN4 7EE	Manufacturing of fabricated metals	Ordinary	100%
Streamline Bodies and Assemblies Limited	Arcwell Works, Stafford Road, Fordhouses, Wolverhampton, WV10 7EJ	Manufacturing of fabricated metals	Ordinary	100%
Fablink Toolspec Limited	Unit 2 Quarry Road, Brixworth Industrial Estate, Northampton, United Kingdom, NN6 9UB	Manufacturing of fabricated metals	Ordinary	100%

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**FABLINK GROUP HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**16. Fixed asset investments (continued)****Indirect subsidiary undertaking**

The following was an indirect subsidiary undertaking of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Fablink UK Limited	Arcwell Works, Stafford Road, Fordhouses, Wolverhampton, WV10 7EJ	Manufacturing of fabricated metals	Ordinary	100%

Global Supply Chain Solutions Limited (Company no: 05509253), Streamline Panels and Assemblies Limited (Company no: 06635450) and Streamline Bodies and Assemblies Limited (Company no: 07726489) are all exempt from the requirements of an audit under section 479A of the Companies Act 2006 as Fablink Group Holdings Limited has provided these companies with a parental guarantee.

During the year, the Company acquired 10% of equity investment in Rocket Caravans Limited for consideration of £75,000.

**17. Stocks**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>
Raw materials	<b>500,848</b>	478,131
Work in progress	<b>4,722,649</b>	4,141,604
Finished goods	<b>732,770</b>	1,015,920
	<b><u>5,956,267</u></b>	<u>5,635,655</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

An impairment loss of £204,758 (2020: £Nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

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**FABLINK GROUP HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**18. Debtors**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<b>Company 2021 £</b>	<i>Company 2020 £</i>
Trade debtors	10,563,676	8,135,983	-	-
Amounts owed by group undertakings	-	-	3,030,251	1,166,422
Amounts owed by related parties	870,635	577,565	-	-
Other debtors	67,275	481,701	99	-
Prepayments and accrued income	687,721	836,467	-	-
Corporate tax receivable	19,136	-	-	-
Deferred tax asset	33,024	-	197,837	-
	<u>12,241,467</u>	<u>10,031,716</u>	<u>3,228,187</u>	<u>1,166,422</u>

Amounts owed by related parties and group undertakings are repayable on demand, unsecured and interest free.

**19. Cash and cash equivalents**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<b>Company 2021 £</b>	<i>Company 2020 £</i>
Cash at bank and in hand	189,623	143,164	30,558	-
	<u>189,623</u>	<u>143,164</u>	<u>30,558</u>	<u>-</u>

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**FABLINK GROUP HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**20. Creditors: Amounts falling due within one year**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<b>Company 2021 £</b>	<i>Company 2020 £</i>
Bank loans	<b>1,057,472</b>	146,054	<b>900,000</b>	-
Invoice discounting facility	<b>2,962,595</b>	4,644,622	-	-
Trade creditors	<b>8,212,529</b>	6,502,462	-	-
Amounts owed to related parties	<b>32,179</b>	-	-	-
Other taxation and social security	<b>2,285,810</b>	1,172,120	-	-
Obligations under finance lease and hire purchase contracts	<b>923,657</b>	885,172	-	-
Other creditors	<b>348,491</b>	776,974	<b>22,500</b>	20,751
Accruals and deferred income	<b>1,633,063</b>	1,401,905	<b>28,014</b>	-
	<b><u>17,455,796</u></b>	<u>15,529,309</u>	<b><u>950,514</u></b>	<u>20,751</u>

The invoice discounting facility is secured by fixed and floating charges over the Group's assets.

Finance leases and hire purchase agreements are secured against the assets to which they relate.

**21. Creditors: Amounts falling due after more than one year**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<b>Company 2021 £</b>	<i>Company 2020 £</i>
Bank loans	<b>4,515,444</b>	2,253,946	<b>4,100,000</b>	1,750,000
Net obligations under finance leases and hire purchase contracts	<b>1,789,487</b>	2,300,136	-	-
Shareholders loans	<b>719,009</b>	970,333	<b>719,009</b>	970,333
	<b><u>7,023,940</u></b>	<u>5,524,415</u>	<b><u>4,819,009</u></b>	<u>2,720,333</u>

Finance leases and hire purchase agreements are secured against the assets to which they relate. All amounts are due within five years from 31 March 2020.

The shareholder loans amount is the balance at 31 March 2020 from an amount of £1,000,000 advanced to purchase the Fablink Group on 31 March 2017. £500,000 of the original amount is unsecured and accrues interest at a rate of 7% per annum. The remainder is non-interest bearing.

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**FABLINK GROUP HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**22. Loans**

	Group 2021 £	Company 2021 £
<b>Amounts falling due within one year</b>		
Bank loans	1,057,472	900,000
<b>Amounts falling due 1-2 years</b>		
Bank loans	4,515,444	4,100,000
	<u>5,572,916</u>	<u>5,000,000</u>

Bank borrowings are secured by a fixed and floating charge over the assets of the Group and Company.

The loans balance comprises a bank loan of £650,000 drawn down in October 2019. The loan is repayable in equal monthly instalments commencing in October 2020. The loan is scheduled to be fully paid by September 2024. As at 31 March 2021 the outstanding balance on this loan was £572,916.

A bank loan of £5,000,000 under the government backed CLBIL scheme was drawn down in October 2020. The loan is repayable over three years, with no payments in year 1, followed by four quarterly instalments of £300,000 in year 2 and four quarterly instalments of £575,000 during year 3. The final balance of £1,500,000 is scheduled to be paid by October 2023.

The bank loan of £1,750,000 was drawn down in January 2020 and fully repaid by 30 September 2020. This loan was part of a revolving credit facility.

In December 2021 the Group refinanced and extended its bank facilities. The Group entered into a new £8,000,000 loan agreement under the RLS scheme and drew down the full amount in the same period. The loan is payable over six years, with no payments in year 1, followed by sixty equal monthly payments of £133,333. At the same time the balance of the CLBILS loan, £4,700,000, was repaid in full.

The Group revolving credit facility was also increased to £2,500,000 and extended until December 2025.

**23. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £	Group 2020 £
Within one year	923,657	885,173
Between 1-5 years	1,789,487	2,300,136
	<u>2,713,144</u>	<u>3,185,309</u>

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**FABLINK GROUP HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**24. Financial instruments**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<b>Company 2021 £</b>	<i>Company 2020 £</i>
<b>Financial assets</b>				
Cash and cash equivalents	<b>189,623</b>	143,164	<b>30,558</b>	-
Financial assets measured at amortised cost	<b>11,501,586</b>	9,195,249	<b>3,030,350</b>	1,166,422
	<u><b>11,691,209</b></u>	<u>9,338,413</u>	<u><b>3,060,908</b></u>	<u>1,166,422</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u><b>(22,193,926)</b></u>	<u>(19,881,854)</u>	<u><b>(5,769,523)</b></u>	<u>(2,882,714)</u>

Cash and cash equivalents comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts owed by group undertakings and related parties.

Financial liabilities measured at amortised cost comprise bank overdrafts, bank loans, amounts due under invoice discounting arrangements, trade and other creditors, accruals, amounts owed to group undertakings and related parties, deferred consideration, shareholder loans and obligations under finance lease and hire purchase contracts.

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**FABLINK GROUP HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**25. Deferred taxation****Group**

	2021 £	2020 £
At beginning of year	(145,282)	(111,652)
(Charged)/credited to profit or loss	178,306	(33,630)
<b>At end of year</b>	<b>33,024</b>	<b>(145,282)</b>

**Company**

	2021 £
Credited to profit or loss	197,837
<b>At end of year</b>	<b>197,837</b>

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accelerated capital allowances	(731,771)	(597,068)	-	-
Tax losses carried forward	748,477	444,344	197,837	-
Short term timing differences	16,318	7,442	-	-
	<b>33,024</b>	<b>(145,282)</b>	<b>197,837</b>	<b>-</b>

**26. Share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
750 (2020: 750) A Ordinary shares of £0.10 each	75	75
125 (2020: 125) B Ordinary shares of £0.10 each	13	13
125 (2020: 125) C Ordinary shares of £0.10 each	12	12
	<b>100</b>	<b>100</b>

During the Prior year, the Ordinary shares were redesignated to A, B and C Ordinary shares. The shares rank pari passu in all respects but constitute separate classes of shares for the purposes of declaring dividends.

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**FABLINK GROUP HOLDINGS LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**27. Reserves****Merger Reserve**

The merger reserve represents the premium on shares issued to previous shareholders as part of the acquisition of the Fablink Group. This is treated as a share for share exchange for merger relief purposes.

**Profit and loss account**

Includes all current and prior period retained profits and losses.

**28. Capital commitments**

There were no capital commitments at 31 March 2021 nor 31 March 2020.

**29. Contingent liabilities**

The Group is party to an unlimited inter-company guarantee with HSBC which includes Fablink Group Holdings Limited, Fablink Limited, Fablink UK Limited, Fablink Cab Systems Limited, Fablink Tank Systems Limited, Fablink Toolspec Limited, Global Supply Chain Solutions Limited, Streamline Panels and Assemblies Limited and Streamline Bodies and Assemblies Limited, dated 2 October 2019. The total amount outstanding at the year end under this arrangement was £8,535,511 (2020: £6,394,622). No loss is expected to arise from this arrangement.

**30. Pension commitments**

The pension cost charge represents contributions payable by the Group to the personal pension plans of certain employees and amounted to £399,542 (2020: £355,673).

Contributions totalling £12,938 (2020: £62,520) were payable to the funds at the year end and are included within other creditors.

**31. Commitments under operating leases**

At 31 March 2021 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2021</b>	<b>Group 2020</b>
	£	£
Not later than 1 year	<b>1,148,078</b>	833,081
Later than 1 year and not later than 5 years	<b>1,020,454</b>	1,672,734
Later than 5 years	<b>144,832</b>	1,102,620
	<b><u>2,313,364</u></b>	<b><u>3,608,435</u></b>

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**FABLINK GROUP HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**32. Related party transactions**

During the year, purchases of £640,684 (2020: £728,301) were made from Electropaint Limited and at the year-end, £528 (2020: £Nil) was owed to Electropaint Limited. Loans were also made to Electropaint Limited and the balance outstanding at 31 March 2021 was £503,169 (2020: £397,107). R A Westley is a director and majority shareholder of this company.

As at 31 March 2021, there were directors loans outstanding of £Nil (2020: £201,524) included within other debtors and shareholder loans payable of £719,009 (2020: £970,333) included within creditors. The largest balance outstanding from the director's loan during the year was £201,524.

During the year rent was charged by WRC Properties Limited of £180,000 (2020: £150,000). Loans were also made to WRC Properties Limited and as at 31 March 2021, £178,393 (2020: £180,458) was outstanding from WRC Properties Limited. R A Westley is a director and shareholder of this company.

At the year end, an amount of £31,651 (2020: £Nil) was owed to The Westley Partnership LLP, an entity in which R A Westley exerts a significant influence.

During the year, sales of £140,356 (2020: £174,077) were made to David Brown Automotive Limited. Loans were also made to David Brown Automotive Limited and the balance outstanding at 31 March 2021 was £189,073 (2020: £Nil). R A Westley is a director of this company.

Key management personnel is considered to be the director of the Group and director's remuneration is disclosed in note 9.

The Group has taken advantage of the exemption under section 33 of FRS 102 to not disclose transactions with wholly owned group members.

**33. Post balance sheet events**

During December 2021 the Group refinanced and extended its bank facilities. The Group entered into a new £8m loan agreement under the Recovery Loan Scheme. The loan is payable over six years, with no payments in year 1, followed by sixty equal monthly payments of £133,333. At the same time the balance of the loan under the government backed CLBILS scheme, £4.7m, was repaid in full.

The Group revolving credit facility was also increased to £2.5m and extended until December 2025.

**34. Controlling party**

The controlling party of the Group is R A Westley, the director and majority shareholder of Fablink Group Holdings Limited.