

Company Registration No. 01629011 (England and Wales)

DULAS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

DULAS LIMITED

COMPANY INFORMATION

Directors Mr. G T Evans
Mrs. R S Chapman
Mr. E O White
Mr. D G Roberts (Appointed 15 April 2021)

Secretary Ms A Banton

Company number 01629011

Registered office Unit 1
Dyfi Eco Park
Machynlleth
Powys
United Kingdom
SY20 8AX

Auditor Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

DULAS LIMITED

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DULAS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Dulas Ltd Directors present the Strategic Report and Financial Statements for the year ended 31 December 2021.

Dulas Limited's core business is the provision of renewable energy products and services. Dulas is the 100% shareholder of Polestar Cooling Ltd, a specialist medical manufacturing facility based in the south of England. This report relates to the group of entities included in the consolidated reports. Having acquired the 100% shareholding of Polestar Cooling Ltd in mid-2020, 2021 is the first year for which consolidated reports are produced.

The Company's Purpose and Aims

The purpose for which Dulas Limited exists is to carry on business in accordance with cooperative principles, democratically controlled by its Members, for the benefit of society, and, in particular:-

- To ensure sustainable and rewarding employment for our employees;
- To serve the need of its customers by delivering high quality, appropriate, effective solutions and technical excellence; and
- To make a real contribution to improving people's lives and to the protection of the environment.

Dulas Mission Statement

We aim to be the Company of choice in the humanitarian and renewable energy sectors for customers, suppliers and employees alike, striving in all we do to deliver value and excellence. In so doing, Dulas intends to be a model of self-determining, responsible, sustainable and commercially successful business operations.

Polestar Cooling Ltd

Dulas Ltd acquired the 100% shareholding of Polestar Cooling Ltd in mid-2020. Having previously been a 50% shareholder, Dulas Members voted to acquire the remaining 50%. The objective was to secure the long-term manufacturing capability for the production of the company's solar powered vaccine refrigerators. The previous sole owner retired and is currently a Non-Executive Director for the Polestar Cooling Board. Polestar is a critical supply partner for the manufacturing of our vaccine cabinet renewable energy products.

Business Model

Dulas Ltd is a Co-operative. Every employee has the right to become a Member of the business after 18 months in employment. This gives the employee a right to a vote at Quarterly Business Meetings and Annual General Meetings on key strategic decisions along with access to potential dividends. Dulas is therefore Member governed and Member owned.

Dulas Ltd is managed by a Board of Directors (BoD) comprising the appointed Executive Managing Director, a Non-Executive Director and two Member Elected Directors.

Polestar Cooling Ltd is a separate limited company owned by Dulas. The BoD is formed by the existing Dulas Directors along with another Non-Executive Director, the previous owner of the company.

Business Context

- 2021 proved to be a challenging year for the company as a direct result of Brexit, in addition to the restrictions imposed across the four nations due to COVID 19 and the impact in terms of available resources.
- January – March 2021 saw re-imposed COVID restrictions implemented. This directly affected the Dulas Wind Monitoring team with the majority of staff furloughed for a three-month period. It also meant employees had to deal with working from home as well as caring for dependents. This placed a strain on the company's ability to deliver work, and the well-being of employees.
- During 2021 we embedded a number of measures to help employees with navigating the impacts of COVID, including mental well-being events, extra compassionate leave and an on-going working from home arrangement.
- Following Brexit the company also experienced Foreign Exchange (FX) losses in Qtr1, mainly due to the value of the Euros held, which was not recovered during 2021. As an on-going mitigation the BoD monitors FX changes on a monthly basis and also hedges large contracts where appropriate.

DULAS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

- As restrictions were eased throughout 2021 the impact of Brexit and COVID continued to affect our suppliers, our logistics and our ability to respond quickly to opportunities. Impacts experienced included significant delays to exporting, importing challenges and securing supply of key components.
- Despite the challenges, Dulas has chosen to invest in order to capitalize on the challenges within the Humanitarian Aid and Renewables markets. Polestar has expanded its operations to service both additional demand in the vaccine cabinet market and to be able to grow non vaccine cabinet medical product lines. In addition, across both areas of the business, resource has been added to grow revenue streams.
- In reaction to the 'feast and 'famine' profile of fridge ordering we worked with HSBC to secure a General Export Trade facility which helps us to manage the cashflow requirements of building fridge stock more effectively.
- 2021 has seen the implementation of new governance arrangements internally and significantly a full leadership team is now in place across both Dulas and Polestar, with additional resource secured at delivery level.

Business Review

During 2021 the company has continued to operate across its main business streams whilst developing new products and expertise in services to the renewable energy development market. The key activities completed included:

- Successful recruitment within Dulas and Polestar at senior leadership levels.
- Retention of key framework agreements and the addition of new framework agreements across all business streams.
- Development of prototype renewable energy products for the off grid/constraint grid marketplace.
- Delivery of technical consultancy into emerging markets such as Green Hydrogen.
- Embedding of our new internal governance arrangements with the appointment of a new Company Secretary.
- Company commitment to achieving Net Zero by 2050.
- Expansion of our premises in Bognor Regis for medical equipment manufacturing growth.
- High employee satisfaction demonstrated through the annual HSE Stress Questionnaire.

Despite the Qtr1 COVID lockdown our **Wind Monitoring** team achieved budget for the year. The early stage onshore wind development market remains very active and our reputation for delivering complex site work to extremely high Health and Safety standards means that we have retained and expanded framework agreements with many blue chip companies. In addition to our Met Mast work we expanded our portfolio of Viasala 'Windcube' Lidar products which we rent/sell, install, maintain and manage for clients across the UK. Due to the built-up demand that lockdown created this business stream will remain extremely busy in 2022 with a strong pipeline of future projects.

The **Consultancy** team exceeded budget with the management and delivery of a number of large scale onshore wind and solar Environmental Impact Assessments as well as a body of technical consultancy projects. One project that spanned departments was the delivery of a comprehensive wind monitoring campaign alongside leading on the EIA and planning submission for an 85MW wind farm. This was the first application Dulas has worked on under the new Development of National Significance system in Wales. This pipeline of projects has continued into 2022 and as a result we have been recruiting for additional EIA Project Managers.

The **Hydro Operations and Maintenance** team continue to deliver pro-active and reactive maintenance work to a number of key clients in Wales and Scotland. In addition to these frameworks a number of optimisation projects were completed in 2021, and carried over into 2022, seeking to increase renewable energy generation from existing assets. The team managed to continue to operate throughout COVID lockdowns and continue to deliver against budget despite the UK Hydro market seeing a downturn due to the removal of government subsidies for new builds. The team also continues to sell our Aqua Sheer Coanda product to developing hydro schemes internationally, mainly to the Nordic regions.

DULAS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

The **Solar International** team and our manufacturing facility, **Polestar**, had a challenging year but still successful one. The combination of Brexit and COVID presented issues with key supply chains, logistics and exporting. However, we were prepared to tackle these challenges and in anticipation of Brexit had secured extra componentry stock and following this a General Export Facility via HSBC. We also expanded our manufacturing premises, so that we could offer additional capacity to our clients servicing specialist medical markets. During 2021 we retained and expanded a number of key framework agreements for our World Health Organisation accredited vaccine fridges. Orders were lumpy and therefore challenging. At the back of 2021 we received a number of orders for 2022 which has provided a pipeline that is set to be higher than planned. As a result of a strategic decision to increase our visibility at government level we secured key meetings with FCDO and DiT officials throughout 2021 followed by a visit by the Minister for Exports to the manufacturing facility in early February 2022.

Polestar Cooling

In addition to servicing the needs of Dulas, Polestar also manufactures specialist medical equipment for a number of other clients. Due to global supply chain issues our ability to meet their demands was impacted. However, we managed to navigate these issues successfully and have a strong order book for 2022. One of the biggest challenges towards the end of 2021 was lack of available resource. However, in early 2022 we hired a senior Strategic Lead for the company and they have helped to secure further resource for our technical team which is critical for R&D work moving forwards. The Strategic Lead will be working on the medium to long term technical plan for 2023 and beyond.

Financial Report

The financial result of 2021 represents a challenging and constrained year of trading due to COVID and Brexit. Despite these challenges both Dulas and Polestar were profitable and have entered 2022 with a strong order book. 2021 is the first year consolidated accounts have been produced for the group and are compared to 2020 group outputs.

Revenues

This year total consolidated revenues of £10.69m were achieved.

Whilst Dulas Ltd revenue was £9.4m and Polestar Cooling Ltd was £3.9m, the consolidated numbers reflect the position that Dulas is the largest customer to Polestar.

Operating Results

Overall Gross Profit was £2.53m and post tax profits were £611k.

Net profit before tax was £642k.

Assets and Liabilities

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

Stock levels are high at £2.4m, reflecting the investment in component stock referenced earlier and relate mainly to the Solar International/Polestar business.

Debtor levels are at £2.2m.

Cash at bank and in hand is healthy at £1.9m.

Net assets and total equity have increased from 2020 to £3.65m (from £3.04m).

Dividends

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

Charity donations

During 2021 Dulas Ltd made charitable donations to numerous local, national and international charities of £24,215 via its charity group.

DULAS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Strategy 2022

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

1. To focus on the core strengths of the renewables services across consultancy, development, and small hydro, whilst extending our capability in new areas such as LIDAR, Lattice towers, utility solar and battery energy storage.
2. Wind Monitoring - to meet the challenge of the trend for increasing turbine measurement heights and data reliability requirements.
3. Consultancy - to strengthen what we do well in the development phase of solar and wind projects within the UK and recover department revenues to pre-FIT levels.
4. Hydro - To focus the business towards opportunities on existing sites such as operations and maintenance, optimisation, refurbishment projects and the development of new technology.
5. Solar International – to execute the agreed Technical Strategy focused on the short to medium priorities of reducing product cost, improving product reliability, adding value through the development of additional features and responding to stakeholder initiatives.
6. Solar International – to implement our Sales and Marketing plan focused on existing and new partners in our key territories.
7. Polestar – to create capacity through expansion and strengthen the technical team.

We continue to invest time and energy into R&D activities and build our knowledge in emerging technologies. With the right people and tools in place to achieve our strategic objectives, the performance for 2022 is already looking strong across all of our business streams.

Sustainability

In September 2021 the company made a public declaration to start the journey to becoming Net Zero. Following feedback from Members, recognising our Company Purpose and Values, and following a mandate by the Board of Directors, we joined the '**United Nations Race to Zero Campaign**'. Through this scheme, which is both UN and UK gov driven, our commitment is as follows:

Recognising that climate change poses a threat to the economy, nature and society-at-large, our company commits to take action immediately in order to:

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

In doing so, we are proud to be recognised by the United Nations Race to Zero campaign, and join governments, businesses, cities, regions, and universities around the world that share the same mission.

Since making this public pledge we have established our baseline position for Scope 1 and Scope 2 emissions and created an action plan to start reducing those emissions.

In addition to the above pledge, we continue to remain committed to **the UN Global Compact** initiative and submitted our 'Communication on Progress' in July 2021. This pledge is supported by a raft of policies and procedures which support Human Rights, Environment and Anti-Corruption.

On behalf of the board

Mrs. R S Chapman
Director

26 September 2022

DULAS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company and group was the provision of renewable energy products and services.

Results and dividends

The results for the year are set out on page 14.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

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

Ms. R Munday	(Resigned 15 April 2021)
Mr. G T Evans	
Mrs. R S Chapman	
Mr. E O White	
Mr. D G Roberts	(Appointed 15 April 2021)

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Directors Statement

During 2021 the Dulas Board of Directors continued the focus and strategy as agreed by Members at the 2020 AGM. This strategy continued to focus on the core areas of;

- Humanitarian Technology,
- Consultancy in Clean Energy,
- Operations, Monitoring and Maintenance of Clean Energy Technology Systems.

There was continued investment in;

- Solar powered vaccine fridge production and In-Country services for the international market,
- Wind Monitoring Services for the onshore and offshore wind market in the UK and Europe,
- Build, Operation and Maintenance services for the UK Hydro Market,
- Consultancy Services for renewable energy developers and the clean energy market in the UK and Republic of Ireland.

During 2021 Dulas also invested time and money into new Research and Development activities. Specifically, this included the development of an off-grid EV charger, using solar PV and battery storage, for constraint grid applications and funded research into the potential for Green Hydrogen generation from Renewable Energy sources.

DULAS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Like most other businesses, Dulas was impacted by the ongoing restrictions around Covid 19, predominately by the company's ability to undertake certain site-based services due to the various national and local lockdowns that were in place in Qtr1 of 2021. The Dulas and Polestar Health & Safety teams coordinated the Dulas response to the pandemic, ensuring that the welfare of staff was front and centre of our approach throughout the year.

Dulas was also impacted significantly by Brexit in early 2021, with currency exchange losses experienced within Qtr1 as a result of the strength of the pound. This impact was due to accounting valuations undertaken on cash reserves held within our Euro and Dollar accounts that was not recovered throughout the year.

2021 was a challenging year in regards to availability of component stock across the supply chain, logistic and exporting challenges due to the impacts of Covid 19 and Brexit. These risks were mitigated through the robust Risk Management culture of the Dulas Board and the Senior Management Team.

In early 2022 Dulas finished implementing an expansion of the Polestar Cooling factory which was marked by a visit from the government's Minister of Export. This investment has expanded the premises and vaccine cabinet equipment in order to respond to an increase in global demand. Alongside the expansion Dulas also secured a General Export Facility via HSBC to effectively manage the additional component stock required to meet the increased demand. This investment has proved invaluable as at the back end of 2021 we saw an increase in orders for vaccine fridges which has secured a strong pipeline of orders for 2022.

Despite the numerous challenges of 2021 Dulas has achieved the following:

- Protected jobs throughout 2021 in order to deliver the repressed demand created from Covid 19 in 2022.
- Expanded the Polestar premises and equipment to meet increased demand for vaccine cabinets in late 2021 and into 2022.
- Undertaken R&D activity into new products and evolving Renewables markets.
- Maintained its position as a trusted service provider to key blue chip clients within the European Renewables and Clean Energy market and the International Humanitarian Aid markets.
- Retained, developed and acquired further in-house skills whilst maintaining an efficient cost base to meet the requirements of the UK Renewables and clean energy market.

The fiscal result of these achievements has been a group turnover of £10.7m and Gross Profit of £2.5m (24%) with a profit before taxation of £642k.

Energy and carbon report

The group is not defined as large in the context of the Streamlined Energy & Carbon Reporting regulations and is not therefore required to report its emissions, energy consumption or energy efficiency activities. Notwithstanding, in 2021 Dulas Ltd made a public commitment to publishing information regarding the equivalent carbon emissions footprint in its annual audited accounts. This was done in the interests of transparency and to align with the company's core environmental values. The information was collected for Dulas Ltd only and in respect of scope 1 and scope 2 emissions, as reliable data was available to establish these baselines. The company has initiated an action plan to developing a methodology that will reliably capture the Scope 3 emissions which will depend on inputs across its range of industrial partners and 3rd party suppliers by year end of 2023.

Quantification and Reporting Methodology

Dulas Ltd has followed the HM Government Environmental Reporting Guidelines and used the GHG Reporting Protocol Corporate Standard and relevant UK Government Conversion Factors for company reporting for each year listed.

DULAS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Energy consumption at Dulas premises	2021	2020	2019
	kWh	kWh	kWh
Aggregate of energy consumption in the year	151,051	142,235	137,281
Emissions of CO2 equivalent (CO2e), tonnes	2021	2020	2019
	Metric tonnes	Metric tonnes	Metric tonnes
Scope 1 - Direct emissions			
- Gas combustion	16.16	14.24	13.57
- Fuel consumed for owned transport	58.97	39.83	52.48
- Other fuels used during services	0.85	0.88	1.00
Scope 2 - Indirect emissions			
- Electricity purchased	9.74	13.25	17.18
Totals, CO2e tonnes			
- Scope 1 & Scope 2 emissions	85.72	68.20	84.23

Intensity Ratio Measurement

Under the guidelines organisations are free to choose the published intensity ratio which are appropriate to the business activity. In this case, the intensity measurements refer to scope 1 and 2 emissions only.

The chosen intensity measurements for publication are total gross emissions in metric tonnes CO2e per employee and per million pounds (sterling) revenue. In addition, Dulas has published the emissions per kWh of energy consumption across its premises.

Intensity ratios (Scope 1 & 2 only)	2021	2020	2019
	Metric tonnes	Metric tonnes	Metric tonnes
Intensity ratios at Dulas premises			
- Tonnes CO2e per MWh energy consumed	0.171	0.193	0.224
Overall intensity ratio			
- Tonnes CO2e per employee	1.072	0.922	1.108
- Tonnes CO2e per million revenue	8.015	5.881	9.399

DULAS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Measures taken to reduce emissions

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

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

Measures under consideration include:

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

On behalf of the board

Mrs. R S Chapman
Director

26 September 2022

DULAS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

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

DULAS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DULAS LIMITED

Opinion

We have audited the financial statements of Dulas Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

DULAS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DULAS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

DULAS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DULAS LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

DULAS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DULAS 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.

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

27 September 2022

Accountants
Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

DULAS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	10,694,836	11,917,728
Cost of sales		(8,165,687)	(9,312,393)
Gross profit		<u>2,529,149</u>	<u>2,605,335</u>
Administrative expenses		(2,000,477)	(1,780,010)
Other operating income		121,475	250,562
Operating profit	4	<u>650,147</u>	<u>1,075,887</u>
Interest receivable and similar income	8	-	50,010
Interest payable and similar expenses	9	(8,070)	(11,950)
Profit before taxation		<u>642,077</u>	<u>1,113,947</u>
Tax on profit	10	(30,824)	(112,942)
Profit for the financial year		<u><u>611,253</u></u>	<u><u>1,001,005</u></u>

Profit for the financial year is all attributable to the owners of the parent company.

DULAS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
Profit for the year	611,253	1,001,005
Other comprehensive income	-	-
Total comprehensive income for the year	<u>611,253</u>	<u>1,001,005</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

DULAS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Goodwill	12		130,609		166,609
Negative goodwill	12		(723,517)		(964,690)
Net goodwill			(592,908)		(798,081)
Other intangible assets	12		104,140		23,894
Total intangible assets			(488,768)		(774,187)
Tangible assets	13		875,829		567,091
			387,061		(207,096)
Current assets					
Stocks	16	2,400,587		1,766,304	
Debtors	17	2,163,369		3,253,829	
Cash at bank and in hand		1,928,082		1,777,853	
		6,492,038		6,797,986	
Creditors: amounts falling due within one year	18	(2,861,664)		(3,305,403)	
Net current assets			3,630,374		3,492,583
Total assets less current liabilities			4,017,435		3,285,487
Creditors: amounts falling due after more than one year	21		(263,863)		(212,000)
Provisions for liabilities					
Deferred tax liability	22	100,328		31,496	
		(100,328)		(31,496)	
Net assets			3,653,244		3,041,991
Capital and reserves					
Called up share capital	24		1,798		1,798
Revaluation reserve			133,192		135,310
Profit and loss reserves			3,518,254		2,904,883
Total equity			3,653,244		3,041,991

DULAS LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 26 September 2022 and are signed on its behalf by:

Mrs. R S Chapman
Director

DULAS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Goodwill	12		130,609		166,609
Other intangible assets	12		104,140		23,894
			<u>234,749</u>		<u>190,503</u>
Total intangible assets			234,749		190,503
Tangible assets	13		632,632		408,539
Investments	14		825,002		825,002
			<u>1,692,383</u>		<u>1,424,044</u>
Current assets					
Stocks	16	1,545,980		1,114,373	
Debtors	17	1,965,791		3,093,902	
Cash at bank and in hand		1,821,943		1,439,360	
		<u>5,333,714</u>		<u>5,647,635</u>	
Creditors: amounts falling due within one year	18	(3,410,298)		(3,802,064)	
		<u>1,923,416</u>		<u>1,845,571</u>	
Net current assets			1,923,416		1,845,571
Total assets less current liabilities			3,615,799		3,269,615
Creditors: amounts falling due after more than one year	21		(263,863)		(212,000)
Provisions for liabilities					
Deferred tax liability	22	72,387		7,555	
		<u>(72,387)</u>		<u>(7,555)</u>	
Net assets			<u>3,279,549</u>		<u>3,050,060</u>
Capital and reserves					
Called up share capital	24		1,798		1,798
Revaluation reserve			133,192		135,310
Profit and loss reserves			3,144,559		2,912,952
			<u>3,279,549</u>		<u>3,050,060</u>
Total equity			<u>3,279,549</u>		<u>3,050,060</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £229,489 (2020 - £1,009,073 profit).

DULAS LIMITED

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 26 September 2022 and are signed on its behalf by:

Mrs. R S Chapman
Director

Company Registration No. 01629011

DULAS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

		Share capital	Revaluation	Profit and reserves	Total
	Notes	£	£	£	£
Balance at 1 January 2020		1,798	137,428	1,959,160	2,098,386
Year ended 31 December 2020:					
Profit and total comprehensive income for the year		-	-	1,001,005	1,001,005
Dividends	11	-	-	(57,400)	(57,400)
Transfers		-	(2,118)	2,118	-
Balance at 31 December 2020		1,798	135,310	2,904,883	3,041,991
Year ended 31 December 2021:					
Profit and total comprehensive income for the year		-	-	611,253	611,253
Transfers		-	(2,118)	2,118	-
Balance at 31 December 2021		1,798	133,192	3,518,254	3,653,244

DULAS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

		Share capital	Revaluation	Profit and reserves	Total
	Notes	£	£	£	£
Balance at 1 January 2020		1,798	137,428	1,959,160	2,098,386
Year ended 31 December 2020:					
Profit and total comprehensive income for the year		-	-	1,009,074	1,009,074
Dividends	11	-	-	(57,400)	(57,400)
Transfers		-	(2,118)	2,118	-
Balance at 31 December 2020		1,798	135,310	2,912,952	3,050,060
Year ended 31 December 2021:					
Profit and total comprehensive income for the year		-	-	229,489	229,489
Transfers		-	(2,118)	2,118	-
Balance at 31 December 2021		1,798	133,192	3,144,559	3,279,549

DULAS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	27		759,525		1,259,152
Interest paid			(8,070)		(11,950)
Income taxes (paid)/refunded			(107,250)		24,689
Net cash inflow from operating activities			644,205		1,271,891
Investing activities					
Purchase of intangible assets		(132,386)		(792)	
Purchase of tangible fixed assets		(471,240)		(111,525)	
Proceeds on disposal of tangible fixed assets		1,500		-	
Proceeds on disposal of subsidiaries		-		(2)	
Proceeds on disposal of investments		-		2	
Interest received		-		10	
Dividends received		-		50,000	
Other		-		17,615	
Net cash used in investing activities			(602,126)		(44,692)
Financing activities					
Proceeds from borrowings		-		240,000	
Repayment of borrowings		(73,244)		(70,426)	
Payment of finance leases obligations		181,394		(20,500)	
Dividends paid to equity shareholders		-		(57,400)	
Net cash generated from financing activities			108,150		91,674
Net increase in cash and cash equivalents			150,229		1,318,873
Cash and cash equivalents at beginning of year			1,777,853		458,980
Cash and cash equivalents at end of year			1,928,082		1,777,853

DULAS LIMITED

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	28	798,554		1,090,197	
Interest paid		(8,070)		(11,950)	
Income taxes paid		(25,817)		-	
Net cash inflow from operating activities		764,667		1,078,247	
Investing activities					
Purchase of intangible assets		(132,386)		(792)	
Purchase of tangible fixed assets		(359,348)		(88,750)	
Proceeds on disposal of tangible fixed assets		1,500		-	
Proceeds on disposal of subsidiaries		-		(825,000)	
Receipts from associates		-		275,000	
Interest received		-		1	
Dividends received		-		450,000	
Net cash used in investing activities		(490,234)		(189,541)	
Financing activities					
Proceeds from borrowings		-		240,000	
Repayment of borrowings		(73,244)		(70,426)	
Payment of finance leases obligations		181,394		(20,500)	
Dividends paid to equity shareholders		-		(57,400)	
Net cash generated from financing activities		108,150		91,674	
Net increase in cash and cash equivalents		382,583		980,380	
Cash and cash equivalents at beginning of year		1,439,360		458,980	
Cash and cash equivalents at end of year		1,821,943		1,439,360	

DULAS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Dulas Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Unit 1, Dyfi Eco Park, Machynlleth, Powys, United Kingdom, SY20 8AX.

The group consists of Dulas Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Dulas Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

DULAS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 4 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

DULAS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.8 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	33% on cost
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1.9 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	3% on cost
Leasehold land and buildings	20% straight line
Plant and equipment	7 - 33% on cost
Fixtures and fittings	7 - 33% on cost
Motor vehicles	7 - 33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.10 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

DULAS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.11 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

DULAS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.12 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.13 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.14 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

DULAS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

DULAS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies **(Continued)**

Derecognition of financial liabilities

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

1.15 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.16 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.17 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.18 Retirement benefits

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

DULAS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.19 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.20 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.21 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

DULAS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Renewable energy products and services	10,694,836	11,197,728
	<u>10,694,836</u>	<u>11,197,728</u>
	2021	2020
	£	£
Other significant revenue		
Interest income	-	10
Dividends received	-	50,000
Grants received	99,835	119,468
	<u>99,835</u>	<u>119,468</u>
	2021	2020
	£	£
Turnover analysed by geographical market		
UK	3,975,194	2,682,714
Europe	390,279	547,437
Rest of World	6,329,363	8,687,577
	<u>10,694,836</u>	<u>11,917,728</u>

4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	166,802	69,523
Government grants	(99,835)	(119,468)
Depreciation of owned tangible fixed assets	128,346	97,886
Depreciation of tangible fixed assets held under finance leases	34,156	-
Profit on disposal of tangible fixed assets	(1,500)	-
Amortisation of intangible assets	(153,033)	(157,578)
Operating lease charges	209,641	189,484
	<u>209,641</u>	<u>189,484</u>

DULAS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	15,403	12,485
Audit of the financial statements of the company's subsidiaries	-	5,000
	<u>15,403</u>	<u>17,485</u>

6 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Directors	32	24	4	4
Technical & Administration	76	70	76	70
Total	<u>108</u>	<u>94</u>	<u>80</u>	<u>74</u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	2,183,488	1,704,062	1,434,821	1,432,337
Social security costs	145,973	128,604	145,973	128,604
Pension costs	185,179	197,846	169,396	144,203
	<u>2,514,640</u>	<u>2,030,512</u>	<u>1,750,190</u>	<u>1,705,144</u>

DULAS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7	Directors' remuneration	2021	2020
		£	£
	Remuneration for qualifying services	197,369	156,525
	Company pension contributions to defined contribution schemes	5,222	15,901
		<u>202,591</u>	<u>172,426</u>
		<u><u>202,591</u></u>	<u><u>172,426</u></u>
8	Interest receivable and similar income	2021	2020
		£	£
	Interest income		
	Interest on bank deposits	-	10
	Other income from investments		
	Dividends received	-	50,000
	Total income	<u>-</u>	<u>50,010</u>
		<u><u>-</u></u>	<u><u>50,010</u></u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	-	10
		<u>-</u>	<u>10</u>
		<u><u>-</u></u>	<u><u>10</u></u>
9	Interest payable and similar expenses	2021	2020
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	6,564	8,119
	Other finance costs:		
	Interest on finance leases and hire purchase contracts	1,506	3,831
	Total finance costs	<u>8,070</u>	<u>11,950</u>
		<u><u>8,070</u></u>	<u><u>11,950</u></u>

DULAS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	(32,577)	106,135
Adjustments in respect of prior periods	(5,431)	-
	<u>(38,008)</u>	<u>106,135</u>
Deferred tax		
Origination and reversal of timing differences	68,832	6,807
	<u>68,832</u>	<u>6,807</u>
Total tax charge	<u>30,824</u>	<u>112,942</u>

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

	2021	2020
	£	£
Profit before taxation	642,077	1,113,947
	<u>642,077</u>	<u>1,113,947</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	121,995	211,650
Tax effect of expenses that are not deductible in determining taxable profit	9,779	9,689
Gains not taxable	-	25,835
Tax effect of utilisation of tax losses not previously recognised	-	(86,743)
Adjustments in respect of prior years	(5,947)	-
Effect of change in corporation tax rate	4,039	-
Group relief	(1)	-
Permanent capital allowances in excess of depreciation	(45,823)	(38,273)
	(2,217)	(9,216)
	(19,432)	-
	178	-
	(31,747)	-
	<u>(31,747)</u>	<u>-</u>
Taxation charge	<u>30,824</u>	<u>112,942</u>

11 Dividends

	2021	2020
	£	£
Recognised as distributions to equity holders:		
Final paid	-	57,400
	<u>-</u>	<u>57,400</u>

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

DULAS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Intangible fixed assets

Group	Goodwill	Negative goodwill	Development costs	Total
	£	£	£	£
Cost				
At 1 January 2021	330,609	(1,205,863)	614,381	(260,873)
Additions - internally developed	-	-	132,386	132,386
	<u>330,609</u>	<u>(1,205,863)</u>	<u>746,767</u>	<u>(128,487)</u>
At 31 December 2021	330,609	(1,205,863)	746,767	(128,487)
Amortisation and impairment				
At 1 January 2021	164,000	(241,173)	590,487	513,314
Amortisation charged for the year	36,000	(241,173)	52,140	(153,033)
	<u>200,000</u>	<u>(482,346)</u>	<u>642,627</u>	<u>360,281</u>
At 31 December 2021	200,000	(482,346)	642,627	360,281
Carrying amount				
At 31 December 2021	<u>130,609</u>	<u>(723,517)</u>	<u>104,140</u>	<u>(488,768)</u>
At 31 December 2020	<u>166,609</u>	<u>(964,690)</u>	<u>23,894</u>	<u>(774,187)</u>
Company				
		Goodwill	Development costs	Total
		£	£	£
Cost				
At 1 January 2021		330,609	614,381	944,990
Additions - internally developed		-	132,386	132,386
		<u>330,609</u>	<u>746,767</u>	<u>1,077,376</u>
At 31 December 2021		330,609	746,767	1,077,376
Amortisation and impairment				
At 1 January 2021		164,000	590,487	754,487
Amortisation charged for the year		36,000	52,140	88,140
		<u>200,000</u>	<u>642,627</u>	<u>842,627</u>
At 31 December 2021		200,000	642,627	842,627
Carrying amount				
At 31 December 2021		<u>130,609</u>	<u>104,140</u>	<u>234,749</u>
At 31 December 2020		<u>166,609</u>	<u>23,894</u>	<u>190,503</u>

DULAS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2021	280,600	36,218	784,403	151,626	76,501	1,329,348
Additions	-	-	443,765	1,481	25,994	471,240
Disposals	-	-	-	-	(13,179)	(13,179)
At 31 December 2021	280,600	36,218	1,228,168	153,107	89,316	1,787,409
Depreciation and impairment						
At 1 January 2021	25,254	7,244	552,046	102,648	75,065	762,257
Depreciation charged in the year	8,420	7,244	130,794	11,354	4,690	162,502
Eliminated in respect of disposals	-	-	-	-	(13,179)	(13,179)
At 31 December 2021	33,674	14,488	682,840	114,002	66,576	911,580
Carrying amount						
At 31 December 2021	246,926	21,730	545,328	39,105	22,740	875,829
At 31 December 2020	255,346	28,974	232,357	48,978	1,436	567,091
Company						
	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total	
	£	£	£	£	£	
Cost						
At 1 January 2021	280,600	639,248	145,979	74,586	1,140,413	
Additions	-	331,873	1,481	25,994	359,348	
Disposals	-	-	-	(13,179)	(13,179)	
At 31 December 2021	280,600	971,121	147,460	87,401	1,486,582	
Depreciation and impairment						
At 1 January 2021	25,254	530,798	101,236	74,586	731,874	
Depreciation charged in the year	8,420	112,209	10,295	4,331	135,255	
Eliminated in respect of disposals	-	-	-	(13,179)	(13,179)	
At 31 December 2021	33,674	643,007	111,531	65,738	853,950	
Carrying amount						
At 31 December 2021	246,926	328,114	35,929	21,663	632,632	
At 31 December 2020	255,346	108,450	44,743	-	408,539	

DULAS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	15	-	-	825,000	825,000
Unlisted investments		-	-	2	2
		-	-	825,002	825,002

Movements in fixed asset investments

Company	Shares in subsidiaries £	Other investments £	Total £
Cost or valuation			
At 1 January 2021 and 31 December 2021	825,000	2	825,002
Carrying amount			
At 31 December 2021	825,000	2	825,002
At 31 December 2020	825,000	2	825,002

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Address	Class of shares held	% Held Direct
Polestar Cooling Limited	United Kingdom	Ordinary	100.00
Chillwind	United Kingdom	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

- Unit 6-7 Beeding Close, Bognor Regis, Sussex, England. PO22 9TS
- Unit 3 Site 6, Dalcross Industrial Estate, Inverness. IV2 7XB

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Polestar Cooling Limited	1,925,746	144,123

DULAS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Stocks		Group 2021 £	2020 £	Company 2021 £	2020 £
	Work in progress	187,617	296,538	187,617	296,538
	Finished goods and goods for resale	2,212,970	1,469,766	1,358,363	817,835
		<u>2,400,587</u>	<u>1,766,304</u>	<u>1,545,980</u>	<u>1,114,373</u>
17 Debtors		Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:					
	Trade debtors	1,522,492	2,511,251	1,378,192	2,394,171
	Corporation tax recoverable	39,123	-	38,655	-
	Other debtors	317,021	487,009	317,021	487,009
	Prepayments and accrued income	284,733	255,569	231,923	212,722
		<u>2,163,369</u>	<u>3,253,829</u>	<u>1,965,791</u>	<u>3,093,902</u>
18 Creditors: amounts falling due within one year		Group 2021 £	2020 £	Company 2021 £	2020 £
	Notes				
	Obligations under finance leases	20 90,811	-	90,811	-
	Other borrowings	19 48,000	82,524	48,000	82,524
	Trade creditors	725,176	553,667	521,954	353,481
	Amounts owed to group undertakings	-	-	990,971	1,150,216
	Corporation tax payable	-	106,135	-	24,702
	Other taxation and social security	133,943	177,957	49,496	31,095
	Other creditors	147,588	199,538	143,294	195,720
	Accruals and deferred income	1,716,146	2,185,582	1,565,772	1,964,326
		<u>2,861,664</u>	<u>3,305,403</u>	<u>3,410,298</u>	<u>3,802,064</u>

DULAS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Other loans	221,280	294,524	221,280	294,524
Payable within one year	48,000	82,524	48,000	82,524
Payable after one year	173,280	212,000	173,280	212,000

20 Finance lease obligations

	Group 2021 £	2020 £	Company 2021 £	2020 £
Future minimum lease payments due under finance leases:				
Within one year	90,811	-	90,811	-
In two to five years	90,583	-	90,583	-
	181,394	-	181,394	-

21 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Obligations under finance leases	20	90,583	-	90,583	-
Other borrowings	19	173,280	212,000	173,280	212,000
		263,863	212,000	263,863	212,000

DULAS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Deferred taxation

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

	Liabilities 2021	Liabilities 2020
	£	£
Group		
Accelerated capital allowances	102,409	33,828
Tax losses	(1,143)	-
Other short term timing differences	(938)	(2,332)
	<u>100,328</u>	<u>31,496</u>
	<u><u>100,328</u></u>	<u><u>31,496</u></u>
	Liabilities 2021	Liabilities 2020
	£	£
Company		
Accelerated capital allowances	74,468	9,887
Tax losses	(1,143)	-
Other short term timing differences	(938)	(2,332)
	<u>72,387</u>	<u>7,555</u>
	<u><u>72,387</u></u>	<u><u>7,555</u></u>
	Group 2021	Company 2021
	£	£
Movements in the year:		
Liability at 1 January 2021	31,496	7,555
Charge to profit or loss	68,832	64,832
	<u>100,328</u>	<u>72,387</u>
	<u><u>100,328</u></u>	<u><u>72,387</u></u>

23 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	185,179	197,846
	<u>185,179</u>	<u>197,846</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

DULAS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

24 Share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary A of £1 each	94	94	94	94
Ordinary B of £1 each	1,704	1,704	1,704	1,704
	<u>1,798</u>	<u>1,798</u>	<u>1,798</u>	<u>1,798</u>

Ordinary A shares carry full voting rights and must be sold back to the company at par once employment ceases.

Ordinary B shares carry full rights in respect of dividends and must be sold back to the company at par once employment ceases. They do not carry any voting rights.

25 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Within one year	84,632	170,348	84,632	93,758
Between two and five years	47,859	216,850	47,859	132,491
	<u>132,491</u>	<u>387,198</u>	<u>132,491</u>	<u>226,249</u>

26 Controlling party

The company is controlled by its employees who in turn hold one voting share each. There is no ultimate controlling party of Dulas Limited.

DULAS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

27 Cash generated from group operations

	2021	2020
	£	£
Profit for the year after tax	611,253	1,001,005
Adjustments for:		
Taxation charged	30,824	112,942
Finance costs	8,070	11,950
Investment income	-	(50,010)
Gain on disposal of tangible fixed assets	(1,500)	-
Amortisation and impairment of intangible assets	(153,033)	(157,578)
Depreciation and impairment of tangible fixed assets	162,502	97,886
Movements in working capital:		
Increase in stocks	(634,283)	(824,409)
Decrease/(increase) in debtors	1,129,583	(1,346,349)
(Decrease)/increase in creditors	(393,891)	2,413,715
Cash generated from operations	<u>759,525</u>	<u>1,259,152</u>

28 Cash generated from operations - company

	2021	2020
	£	£
Profit for the year after tax	229,489	1,009,074
Adjustments for:		
Taxation charged	27,292	32,257
Finance costs	8,070	11,950
Investment income	-	(450,001)
Gain on disposal of tangible fixed assets	(1,500)	-
Amortisation and impairment of intangible assets	88,140	83,595
Depreciation and impairment of tangible fixed assets	135,255	67,503
Movements in working capital:		
Increase in stocks	(431,607)	(172,478)
Decrease/(increase) in debtors	1,166,766	(1,186,422)
(Decrease)/increase in creditors	(423,351)	1,694,719
Cash generated from operations	<u>798,554</u>	<u>1,090,197</u>

DULAS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

29 Analysis of changes in net funds - group

	1 January 2021	Cash flows	31 December 2021
	£	£	£
Cash at bank and in hand	1,777,853	150,229	1,928,082
Borrowings excluding overdrafts	(294,524)	73,244	(221,280)
Obligations under finance leases	-	(181,394)	(181,394)
	<u>1,483,329</u>	<u>42,079</u>	<u>1,525,408</u>

30 Analysis of changes in net funds - company

	1 January 2021	Cash flows	31 December 2021
	£	£	£
Cash at bank and in hand	1,439,360	382,583	1,821,943
Borrowings excluding overdrafts	(294,524)	73,244	(221,280)
Obligations under finance leases	-	(181,394)	(181,394)
	<u>1,144,836</u>	<u>274,433</u>	<u>1,419,269</u>

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