

Veedol UK Limited

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements for the Year Ended 31st March 2021

Veedol UK Limited

Contents of the Consolidated Financial Statements
for the Year Ended 31st March 2021

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Consolidated Statement of Profit or Loss and Other Comprehensive Income	9
Consolidated Statement of Financial Position	10
Company Statement of Financial Position	12
Consolidated Statement of Changes in Equity	13
Company Statement of Changes in Equity	14
Consolidated Statement of Cash Flows	15
Notes to the Consolidated Statement of Cash Flows	16
Notes to the Consolidated Financial Statements	17
Consolidated Income Statement Summaries	30

Veedol UK Limited

Company Information
for the Year Ended 31st March 2021

DIRECTORS:

R N Ghosal
S Vaidya
P P Kadle

REGISTERED OFFICE:

Unit 29
Goldthorpe Industrial Estate
Goldthorpe
Rotherham
South Yorkshire
S63 9BL

REGISTERED NUMBER:

03564422 (England and Wales)

AUDITORS:

Hewson & Howson Statutory Auditors
8 Shepcote Office Village
Shepcote Lane
Sheffield
South Yorkshire
S9 1TG

Veedol UK Limited

Group Strategic Report
for the Year Ended 31st March 2021

The directors present their strategic report of the company and the group for the year ended 31st March 2021.

The principal activity of the group in the year under review was that of the manufacture and sale of products to the automotive aftermarket.

REVIEW OF BUSINESS

The group has continued to perform well given the difficult market conditions, the impact of Covid 19 and Brexit implementation.

Expanded capacity in the form and storage and production has certainly been beneficial during the period leading to Sales growth across the board.

Security, IT, and communications have all been upgraded during the period. Challenges still remain, especially the ongoing global fight against the pandemic, but the group is well placed to meet these moving forward.

The groups key financial performance indicators during the year were as follows:

	Unit	2021	2020
Turnover	£	15,583,083	13,066,104
Gross Profit Margin	%	36.21	33.93
Profit before tax	£	2,347,043	1,125,819

PRINCIPAL RISKS AND UNCERTAINTIES

The business' activities expose it primarily to the financial risks of changes in foreign currency exchange rates.

The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors, loans to the business and finance lease agreements. The main purpose of these instruments is to finance the business' operations.

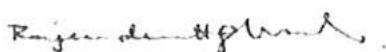
In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors. Credit insurance is an added safeguard.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

The group manages foreign currency risk by holding accounts and balances in multiple currencies. The vast majority of sales are billed in the group's base currency £sterling.

ON BEHALF OF THE BOARD:



R N Ghosal - Director

Date: 20.05.21

Veedol UK Limited

Report of the Directors for the Year Ended 31st March 2021

The directors present their report with the financial statements of the company and the group for the year ended 31st March 2021.

DIVIDENDS

A final dividend of £7.25 per share on the Ordinary £1 shares was paid on 17th September 2020 in respect of the year ended 31st March 2020.

An interim dividend of £10.50 per share on the Ordinary £1 shares was paid on 29th December 2020 in respect of the year ended 31st March 2021.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st April 2020 to the date of this report.

R N Ghosal
S Vaidya

Other changes in directors holding office are as follows:

S Sthanunathan - resigned 13th November 2020
P P Kadle - appointed 13th November 2020

BUSINESS RISK AND UNCERTAINTIES

In common with all businesses the group's activities for the foreseeable future will be affected by the social and economic consequences of the COVID-19 pandemic. It is impossible to predict with any degree of certainty the extent and duration of how this will change the business sector in which this group operates, but clearly there is a material change to the principal business risks and uncertainties faced.

The extent to which the COVID-19 pandemic will impact the Group's business will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any further action to contain its spread or mitigate its impact whether government-mandated or elected by the Group. Management has undertaken a detailed assessment of its liquidity position for the next one year and of the recoverability and carrying value of its assets as at the Balance sheet date, and has concluded that there are no material adjustments required in these financial statements. Management believes that it has taken into account all of the possible impacts of known events arising from the COVID-19 pandemic in the preparation of these financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration, and might be different from that estimated as at the date of approval of these financial statements. The Group will continue to monitor any material changes to the future economic conditions."

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 International Financial Reporting Standards as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Veedol UK Limited

Report of the Directors
for the Year Ended 31st March 2021

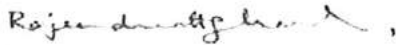
STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:



R N Ghosal - Director

Date: 20.05.21

Report of the Independent Auditors to the Members of
Veedol UK Limited

Opinion

We have audited the financial statements of Veedol UK Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31st March 2021 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- 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 31st March 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 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.

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 directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Report of the Independent Auditors to the Members of
Veedol UK Limited

Matters on which we are required to report by exception

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

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 Statement of Directors' Responsibilities set out on page three, 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 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 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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of
Veedol UK Limited

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

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

Audit response to risks identified

- * the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' and senior management remuneration, bonus levels and performance targets;
- * results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- * any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- * the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and concluded that in our opinion there is no specific area of operation most at risk requiring detailed consideration. In common with all audits under IFRS, we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Health & Safety law and regulation, and all relevant tax legislation.

In addition, we considered provisions of any other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Audit response to risks identified

As a result of performing the above, we identified non-compliance with Health & Safety Law as a key audit matter related to the detection of irregularities.

Our procedures to respond to risks identified included the following:

Report of the Independent Auditors to the Members of
Veedol UK Limited

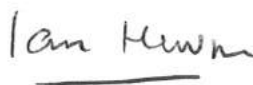
- * reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- * enquiring of management concerning actual and potential litigation and claims;
- * reading minutes of meetings of those charged with governance;
- * obtaining an understanding of the basis of recognition or non-recognition of provisions through discussions with management;
- * in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

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

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 a Report of the Auditors 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.



Ian Hewson (Senior Statutory Auditor)
for and on behalf of Hewson & Howson Statutory Auditors
8 Shepcote Office Village
Shepcote Lane
Sheffield
South Yorkshire
S9 1TG

Date: 20.05.2021

Veedol UK Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 31st March 2021

	Notes	31.3.21 £	31.3.20 £
CONTINUING OPERATIONS			
Revenue	3	15,583,083	13,066,104
Cost of sales		(9,941,032)	(8,632,468)
GROSS PROFIT		5,642,051	4,433,636
Other operating income		-	19,732
Distribution costs		(541,770)	(465,176)
Administrative expenses		(2,737,379)	(2,848,989)
OPERATING PROFIT		2,362,902	1,139,203
Finance costs	5	(16,082)	(14,192)
Finance income	5	223	808
PROFIT BEFORE INCOME TAX	6	2,347,043	1,125,819
Income tax	7	(471,569)	(230,698)
PROFIT FOR THE YEAR		1,875,474	895,121
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,875,474	895,121
Profit attributable to: Owners of the parent		<u>1,875,474</u>	<u>895,121</u>
Total comprehensive income attributable to: Owners of the parent		<u>1,875,474</u>	<u>895,121</u>
Earnings per share expressed in pence per share:	10		
Basic		4949.13	2362.11
Diluted		<u>4949.13</u>	<u>2362.11</u>

The notes form part of these financial statements

Consolidated Statement of Financial Position
31st March 2021

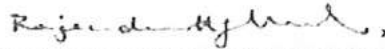
	Notes	31.3.21 £	31.3.20 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Intangible assets	11	-	-
Property, plant and equipment	12	3,850,541	2,933,467
Right-of-use			
Property, plant and equipment	12, 21	91,442	137,163
Investments	13	-	-
		<u>3,941,983</u>	<u>3,070,630</u>
CURRENT ASSETS			
Inventories	14	2,297,961	2,199,244
Trade and other receivables	15	3,535,856	2,870,179
Tax receivable		-	172,670
Cash and cash equivalents	16	75,901	79,446
		<u>5,909,718</u>	<u>5,321,539</u>
TOTAL ASSETS		<u><u>9,851,701</u></u>	<u><u>8,392,169</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	17	37,895	37,895
Share premium	18	5,605	5,605
Fair value reserve	18	142,406	152,890
Retained earnings	18	5,376,041	4,162,720
TOTAL EQUITY		<u><u>5,561,947</u></u>	<u><u>4,359,110</u></u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	20	44,578	85,727
Deferred tax	22	117,009	116,361
		<u>161,587</u>	<u>202,088</u>
CURRENT LIABILITIES			
Trade and other payables	19	3,012,725	2,882,659
Financial liabilities - borrowings			
Bank overdrafts	20	773,372	789,738
Interest bearing loans and borrowings	20	41,149	41,149
Tax payable		300,921	117,425
		<u>4,128,167</u>	<u>3,830,971</u>
TOTAL LIABILITIES		<u><u>4,289,754</u></u>	<u><u>4,033,059</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>9,851,701</u></u>	<u><u>8,392,169</u></u>

The notes form part of these financial statements

Veedol UK Limited (Registered number: 03564422)

Consolidated Statement of Financial Position - continued
31st March 2021

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



R N Ghosal - Director

The notes form part of these financial statements

Veedol UK Limited (Registered number: 03564422)

**Company Statement of Financial Position
31st March 2021**

	Notes	31.3.21 £	31.3.20 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Intangible assets	11	-	-
Property, plant and equipment	12	-	-
Right of use			
Investments	13	79,157	79,157
		<u>79,157</u>	<u>79,157</u>
CURRENT ASSETS			
Trade and other receivables	15	91,172	
Cash and cash equivalents	16	79,422	48,611
		<u>170,594</u>	<u>48,611</u>
TOTAL ASSETS		<u>249,751</u>	<u>127,768</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	17	37,895	37,895
Share premium	18	5,605	5,605
Retained earnings	18	119,838	84,268
TOTAL EQUITY		<u>163,338</u>	<u>127,768</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	86,413	
TOTAL LIABILITIES		<u>86,413</u>	
TOTAL EQUITY AND LIABILITIES		<u>249,751</u>	<u>127,768</u>

The financial statements were approved by the Board of Directors and authorised for issue on 20.05.21 and were signed on its behalf by:



R N Ghosal - Director

The notes form part of these financial statements

Veedol UK Limited

Consolidated Statement of Changes in Equity
for the Year Ended 31st March 2021

	Called up share capital £	Retained earnings £	Share premium £	Fair value reserve £	Total equity £
Balance at 1st April 2019	37,895	3,768,698	5,605	163,374	3,975,572
Changes in equity					
Dividends	-	(511,583)	-	-	(511,583)
Total comprehensive income	-	905,605	-	(10,484)	895,121
Balance at 31st March 2020	<u>37,895</u>	<u>4,162,720</u>	<u>5,605</u>	<u>152,890</u>	<u>4,359,110</u>
Changes in equity					
Dividends	-	(672,637)	-	-	(672,637)
Total comprehensive income	-	1,885,958	-	(10,484)	1,875,474
Balance at 31st March 2021	<u><u>37,895</u></u>	<u><u>5,376,041</u></u>	<u><u>5,605</u></u>	<u><u>142,406</u></u>	<u><u>5,561,947</u></u>

The notes form part of these financial statements

Veedol UK Limited

Company Statement of Changes in Equity
for the Year Ended 31st March 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1st April 2019	37,895	62,176	5,605	105,676
Changes in equity				
Dividends	-	(511,583)	-	(511,583)
Total comprehensive income	-	533,675	-	533,675
Balance at 31st March 2020	37,895	84,268	5,605	127,768
Changes in equity				
Dividends	-	(672,637)	-	(672,637)
Total comprehensive income	-	708,207	-	708,207
Balance at 31st March 2021	37,895	119,838	5,605	163,338

The notes form part of these financial statements

Veedol UK Limited

Consolidated Statement of Cash Flows
for the Year Ended 31st March 2021

	Notes	31.3.21 £	31.3.20 £
Cash flows from operating activities			
Cash generated from operations	1	2,032,761	2,338,780
Interest paid		(13,978)	(10,300)
Lease interest paid		(2,104)	(3,892)
Tax paid		(114,755)	(313,479)
Net cash from operating activities		<u>1,901,924</u>	<u>2,011,109</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,200,555)	(1,560,624)
Sale of tangible fixed assets		25,016	2,200
Interest received		223	808
Net cash from investing activities		<u>(1,175,316)</u>	<u>(1,557,616)</u>
Cash flows from financing activities			
Payment of lease liabilities		(41,150)	(41,150)
Equity dividends paid		(672,637)	(511,583)
Net cash from financing activities		<u>(713,787)</u>	<u>(552,733)</u>
Increase/(decrease) in cash and cash equivalents		<u>12,821</u>	<u>(99,240)</u>
Cash and cash equivalents at beginning of year	2	(710,292)	(611,052)
Cash and cash equivalents at end of year	2	<u><u>(697,471)</u></u>	<u><u>(710,292)</u></u>

The notes form part of these financial statements

Veedol UK Limited

Notes to the Consolidated Statement of Cash Flows
for the Year Ended 31st March 2021

1. **RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	31.3.21	31.3.20
	£	£
Profit before income tax	2,347,043	1,125,819
Depreciation charges	327,213	271,927
Profit on disposal of fixed assets	(23,026)	(2,200)
Finance costs	16,082	14,192
Finance income	(223)	(808)
	<hr/>	<hr/>
	2,667,089	1,408,930
Increase in inventories	(98,717)	(75,698)
(Increase)/decrease in trade and other receivables	(665,677)	232,361
Increase in trade and other payables	130,066	773,187
	<hr/>	<hr/>
Cash generated from operations	2,032,761	2,338,780
	<hr/> <hr/>	<hr/> <hr/>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31st March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	75,901	79,446
Bank overdrafts	(773,372)	(789,738)
	<hr/>	<hr/>
	(697,471)	(710,292)
	<hr/> <hr/>	<hr/> <hr/>

Year ended 31st March 2020

	31.3.20	1.4.19
	£	£
Cash and cash equivalents	79,446	68,568
Bank overdrafts	(789,738)	(679,620)
	<hr/>	<hr/>
	(710,292)	(611,052)
	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

Veedol UK Limited

Notes to the Consolidated Financial Statements for the Year Ended 31st March 2021

1. STATUTORY INFORMATION

Veedol UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with those parts of the Companies Act 2006 applicable to company's reporting under IFRS.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertaking drawn up to 31st March 2021.

The subsidiary undertaking is included using the acquisitions method of accounting. Under this method the group statement of comprehensive income and statement of cashflows include the results and cashflows of its subsidiary from the date of acquisition and to the date of sale outside the group in the case of disposal of the subsidiary. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- in accordance with the property
Plant and machinery	- Straight line between 1 and 15 years
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- at varying rates on cost

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Veedol UK Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2021

2. ACCOUNTING POLICIES - continued

Leases

Leases are recognised as finance leases. The lease liability is initially recognised at the present value of the lease payments which have not yet been made and subsequently measured under the amortised cost method. The initial cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, lease payments made prior to the lease commencement date, initial direct costs and the estimated costs of removing or dismantling the underlying asset per the conditions of the contract.

Where ownership of the right-of-use asset transfers to the lessee at the end of the lease term, the right-of-use asset is depreciated over the asset's remaining useful life. If ownership of the right-of-use asset does not transfer to the lessee at the end of the lease term, depreciation is charged over the shorter of the useful life of the right-of-use asset and the lease term.

Employee benefit costs

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the period to which they relate.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the group is presented as a liability in the balance sheet. The corresponding dividends relating to that liability component are charged as interest expense in the profit and loss account.

Hire purchase and leasing commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives.

Veedol UK Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2021

2. ACCOUNTING POLICIES - continued

Critical accounting judgements and estimates

The preparation of financial statements under IFRS requires management to make judgements, assumptions and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Assumptions and estimates are reviewed on an ongoing basis and any revisions to them are recognised in the period in which they are revised.

The following items are those that management considers to be critical due to the level of judgement and estimation required:

Inventories

Having regard to the uncertainties arising from the continuing economic consequences of COVID-19, management have exercised their judgement in determining the extent to which inventories held at the balance sheet date are properly valued according to the accounting policy of making due allowance for obsolete and slow moving items. The directors have applied estimates to help them determine the extent to which such provisions have been made in these financial statements.

Trade debtors

Having regard to the uncertainties arising from the continuing economic consequences of COVID-19, management have exercised their judgement in determining the extent to which amounts owed by customers at the balance sheet date are properly valued according to the accounting policy of making due provision for amounts which may not be collected. The directors have applied estimates to help them determine the extent to which such provisions have been made in these financial statements.

Other matter

As part of a process of legal proceedings brought by the Health & Safety Executive, the subsidiary in the group has accepted responsibility for a breach of health and safety regulations that occurred in 2016. It is noted that the incident in question did not result in any long term injury or harm and that procedures have since been put in place to prevent future risk. The subsidiary company awaits the Court's decision but has been informed that a financial penalty is likely to arise. Whilst the boundaries of the determination of this fine will be based upon a known range of factors, it is not possible to anticipate with any certainty the probable outcome. For this reason, and by management exercising their judgement, no provision has been made in these financial statements.

3. REVENUE

Revenue by geographical market

Turnover split by geographical market was as follows:

Automotive products	2021	2020
	£	£
UK	12,170,068	10,022,775
Europe	1,640,366	1,281,221
Rest of the World	1,541,995	1,628,577
	<hr/>	<hr/>
	15,352,429	12,943,573
Management Charges		
UK	230,654	133,531
	<hr/>	<hr/>
	15,583,083	13,066,104
	<hr/>	<hr/>

Veedol UK Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2021

4. EMPLOYEES AND DIRECTORS

	31.3.21	31.3.20
	£	£
Wages and salaries	1,222,913	1,252,802
Social security costs	120,058	128,310
Other pension costs	27,364	28,271
	<u>1,370,335</u>	<u>1,409,383</u>

The average number of employees during the year was as follows:

	31.3.21	31.3.20
Administration and support	12	10
Sales, marketing and distribution	32	27
	<u>44</u>	<u>37</u>

	31.3.21	31.3.20
	£	£
Directors' remuneration	-	50,926
Directors' pension contributions to money purchase schemes	-	930
	<u>-</u>	<u>51,856</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>-</u>	<u>1</u>
------------------------	----------	----------

5. NET FINANCE COSTS

	31.3.21	31.3.20
	£	£
Finance income:		
Deposit account interest	223	808
	<u>223</u>	<u>808</u>
Finance costs:		
Bank loan interest	13,978	10,300
Hire purchase	2,104	3,892
	<u>16,082</u>	<u>14,192</u>
Net finance costs	<u>15,859</u>	<u>13,384</u>

Veedol UK Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2021

6. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging/(crediting):

	31.3.21	31.3.20
	£	£
Cost of inventories recognised as expense	9,941,032	8,632,468
Depreciation - owned assets	281,491	225,550
Depreciation - assets on hire purchase contracts	45,721	45,721
Profit on disposal of fixed assets	(23,026)	(2,200)
Patents and licences amortisation	-	654
Auditors' remuneration	10,000	10,000
	<u> </u>	<u> </u>

7. INCOME TAX

Analysis of tax expense

	31.3.21	31.3.20
	£	£
Current tax:		
Tax	470,921	168,425
Deferred tax	648	62,273
	<u> </u>	<u> </u>
Total tax expense in consolidated statement of profit or loss and other comprehensive income	<u>471,569</u>	<u>230,698</u>

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.21	31.3.20
	£	£
Profit before income tax	<u>2,347,043</u>	<u>1,125,819</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	445,938	213,906
Effects of:		
Deferred tax movement	648	62,273
Excess of depreciation over capital allowances	24,983	(47,538)
Losses carried forward	-	2,057
	<u> </u>	<u> </u>
Tax expense	<u>471,569</u>	<u>230,698</u>

8. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the statement of comprehensive income of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £708,207 (2020 - £533,675).

Veedol UK Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2021

9. **DIVIDENDS**

	31.3.21 £	31.3.20 £
Ordinary shares of £1 each		
Dividends paid in the year	<u>672,637</u>	<u>511,583</u>

10. **EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Reconciliations are set out below.

	Earnings £	31.3.21 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	1,875,474	37,895	4949.13
Effect of dilutive securities	-	-	-
	<u>1,875,474</u>	<u>37,895</u>	<u>4949.13</u>
Diluted EPS			
Adjusted earnings	<u>1,875,474</u>	<u>37,895</u>	<u>4949.13</u>

	Earnings £	31.3.20 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	895,121	37,895	2362.11
Effect of dilutive securities	-	-	-
	<u>895,121</u>	<u>37,895</u>	<u>2362.11</u>
Diluted EPS			
Adjusted earnings	<u>895,121</u>	<u>37,895</u>	<u>2362.11</u>

Veedol UK Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2021

11. INTANGIBLE ASSETS

Group	Patents and licences £
COST	
At 1st April 2020 and 31st March 2021	92,303
AMORTISATION	
At 1st April 2020 and 31st March 2021	92,303
NET BOOK VALUE	
At 31st March 2021	-
At 31st March 2020	-

12. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1st April 2020	2,769,337	2,034,023	21,938	103,117	4,928,415
Additions	1,057,838	10,448	54,480	77,789	1,200,555
Disposals	-	(6,422)	-	(53,673)	(60,095)
At 31st March 2021	3,827,175	2,038,049	76,418	127,233	6,068,875
DEPRECIATION					
At 1st April 2020	613,921	1,159,365	18,499	66,000	1,857,785
Charge for year	112,013	184,032	9,606	21,561	327,212
Eliminated on disposal	-	(6,422)	-	(51,683)	(58,105)
At 31st March 2021	725,934	1,336,975	28,105	35,878	2,126,892
NET BOOK VALUE					
At 31st March 2021	3,101,241	701,074	48,313	91,355	3,941,983
At 31st March 2020	2,155,416	874,658	3,439	37,117	3,070,630

The directors have considered the carrying value of all fixed assets as at 31st March 2020 and in their opinion the net book value of assets represents their fair value.

Veedol UK Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2021

12. **PROPERTY, PLANT AND EQUIPMENT - continued**

Group

Cost or valuation at 31st March 2021 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2009	227,098	-	-	-	227,098
Cost	3,600,077	2,038,049	76,418	127,233	5,841,777
	<u>3,827,175</u>	<u>2,038,049</u>	<u>76,418</u>	<u>127,233</u>	<u>6,068,875</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	31.3.21 £	31.3.20 £
Cost	<u>2,542,239</u>	<u>2,542,239</u>
Aggregate depreciation	<u>539,713</u>	<u>539,713</u>
Value of land in freehold land and buildings	<u>50,000</u>	<u>50,000</u>

13. **INVESTMENTS**

Company

	Shares in group undertakings £
COST	
At 1st April 2020 and 31st March 2021	<u>79,157</u>
NET BOOK VALUE	
At 31st March 2021	<u>79,157</u>
At 31st March 2020	<u>79,157</u>

Veedol UK Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2021

13. INVESTMENTS - continued

Company

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiary

Granville Oil & Chemicals Limited

Registered office:

Nature of business: Automotive aftermarket

	%		
	holding		
Class of shares:	100.00		
Ordinary		31.3.21	31.3.20
		£	£
Aggregate capital and reserves		5,477,766	4,310,499
Profit for the year		1,962,237	905,950
		<u> </u>	<u> </u>

14. INVENTORIES

	Group	
	31.3.21	31.3.20
	£	£
Raw materials	568,652	558,604
Finished goods	1,729,309	1,640,640
	<u>2,297,961</u>	<u>2,199,244</u>

At the period end date the group made a write down of stock in respect of slow moving and obsolete items amounting to £239,831 (2020: £170,364).

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Current:				
Trade debtors	3,373,706	2,744,012	84,334	-
VAT	1,911	-	1,911	-
Prepayments and accrued income	160,239	126,167	4,927	-
	<u>3,535,856</u>	<u>2,870,179</u>	<u>91,172</u>	<u>-</u>

Veedol UK Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2021

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Cash in hand	519	1,598	-	-
Bank accounts	75,382	77,848	79,422	48,611
	<u>75,901</u>	<u>79,446</u>	<u>79,422</u>	<u>48,611</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.3.21	31.3.20
			£	£
37,895	Ordinary	£1	<u>37,895</u>	<u>37,895</u>

18. RESERVES

Group				
	Retained earnings	Share premium	Fair value reserve	Totals
	£	£	£	£
At 1st April 2020	4,162,720	5,605	152,890	4,321,215
Profit for the year	1,875,474			1,875,474
Dividends	(672,637)			(672,637)
Transfer of realised profit	10,484	-	(10,484)	-
At 31st March 2021	<u>5,376,041</u>	<u>5,605</u>	<u>142,406</u>	<u>5,524,052</u>
Company				
	Retained earnings	Share premium		Totals
	£	£		£
At 1st April 2020	84,268	5,605		89,873
Profit for the year	708,207			708,207
Dividends	(672,637)			(672,637)
At 31st March 2021	<u>119,838</u>	<u>5,605</u>		<u>125,443</u>

Veedol UK Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2021

19. TRADE AND OTHER PAYABLES

	Group		Company	
	31.3.21	31.3.20	31.3.21	31.3.20
	£	£	£	£
Current:				
Trade creditors	2,378,789	2,450,045	86,413	-
Social security and other taxes	36,195	64,918	-	-
Accruals and deferred income	597,741	367,696	-	-
	<u>3,012,725</u>	<u>2,882,659</u>	<u>86,413</u>	<u>-</u>

20. FINANCIAL LIABILITIES - BORROWINGS

	Group	
	31.3.21	31.3.20
	£	£
Current:		
Bank overdrafts	773,372	789,738
Leases (see note 21)	41,149	41,149
	<u>814,521</u>	<u>830,887</u>
Non-current:		
Leases (see note 21)	44,578	85,727

Terms and debt repayment schedule

Group

	1 year or less	1-2 years	2-5 years	Totals
	£	£	£	£
Bank overdrafts	773,372	-	-	773,372
Leases	41,149	41,149	3,429	85,727
	<u>814,521</u>	<u>41,149</u>	<u>3,429</u>	<u>859,099</u>

The bank overdraft is secured by fixed and floating charge over the assets of the company.

Veedol UK Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2021

21. LEASING

Group
Right-of-use assets

Property, plant and equipment

	31.3.21	31.3.20
	£	£
COST		
At 1st April 2020	<u>228,605</u>	<u>228,605</u>
DEPRECIATION		
At 1st April 2020	91,442	45,721
Charge for year	<u>45,721</u>	<u>45,721</u>
	<u>137,163</u>	<u>91,442</u>
NET BOOK VALUE	<u><u>91,442</u></u>	<u><u>137,163</u></u>

Group
Lease liabilities

Minimum lease payments fall due as follows:

	31.3.21	31.3.20
	£	£
Gross obligations repayable:		
Within one year	43,253	45,041
Between one and five years	<u>46,857</u>	<u>93,822</u>
	<u>90,110</u>	<u>138,863</u>
Finance charges repayable:		
Within one year	2,104	3,892
Between one and five years	<u>2,279</u>	<u>8,095</u>
	<u>4,383</u>	<u>11,987</u>
Net obligations repayable:		
Within one year	41,149	41,149
Between one and five years	<u>44,578</u>	<u>85,727</u>
	<u><u>85,727</u></u>	<u><u>126,876</u></u>

Veedol UK Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2021

22. DEFERRED TAX

Group	31.3.21	31.3.20
	£	£
Balance at 1st April	116,361	54,088
Charge for the period	648	62,273
	<hr/>	<hr/>
Balance at 31st March	117,009	116,361
	<hr/>	<hr/>

23. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Tide Water Oil Co. (India) Ltd.

24. CAPITAL COMMITMENTS

At the balance sheet date there was no capital expenditure commitment that was contracted for but not provided in these financial statements.

25. RELATED PARTY DISCLOSURES

The group charged Veedol International Limited (VIL) £13,211 (2020: £20,437) in respect of consultancy services. At the balance sheet date VIL owed the group £nil (2020: £4,800). The group was charged by VIL £14,700 (2020: £14,188) in respect of royalties. At the balance sheet date the group owed VIL £7,811 (2020: £7,610).

The group charged Veedol Deutschland GMBH (VDG) £25,494 (2020: £25,404) in respect of consultancy services. At the balance sheet date VDG owed the group £nil (2020: £nil).

The group charged Veedol International DMCC (VID) £411,748 (2020: £380,176) in respect of materials. At the balance sheet date VID owed the group £32,972 (2020: £49,303).

The group charged Veedol International Americas (VIA) £nil (2020: £192,162) in respect of materials. At the balance sheet date VIA owed the group £nil (2020: £83,055).

The group was charged by Tidewater India (TWO) £2,959 (2020: £nil) for travel expenses. At the balance sheet date the group owed TWO £nil (2020: £nil).

Veedol UK Limited

Consolidated Income Statement Summaries
for the Year Ended 31st March 2021

	31.3.21 £	31.3.20 £
REVENUE		
Sales	12,170,068	10,022,775
Sales, Europe	1,640,366	1,281,221
Sales, rest of world	1,541,995	1,628,577
Management charges receivable	230,654	133,531
	<hr/> 15,583,083	<hr/> 13,066,104
COST OF SALES		
Opening raw materials	558,604	472,647
Opening finished goods	1,640,640	1,650,899
Purchases	9,424,794	8,190,841
Other direct costs	614,955	517,325
Closing raw materials	(568,652)	(558,604)
Closing finished goods	(1,729,309)	(1,640,640)
	<hr/> 9,941,032	<hr/> 8,632,468
OTHER OPERATING INCOME		
Rents received	-	19,732
	<hr/> -	<hr/> 19,732
DISTRIBUTION COSTS		
Haulage	541,770	465,176
	<hr/> 541,770	<hr/> 465,176

This page does not form part of the statutory financial statements

Veedol UK Limited

Consolidated Income Statement Summaries
for the Year Ended 31st March 2021

	31.3.21 £	31.3.20 £
ADMINISTRATIVE EXPENSES		
Establishment costs		
Rent	11,738	47,608
Rates and water	65,909	68,657
Insurance	71,001	57,912
Light and heat	52,943	33,904
Administrative expenses		
Directors' salaries	-	50,926
Directors' pension contributions	-	930
Wages	1,222,913	1,201,876
Social security	120,058	128,310
Pensions	27,364	27,341
Sales commission	278,471	260,892
Telephone	4,346	5,569
Post and stationery	5,322	6,760
Advertising	34,289	43,558
Travelling	4,476	9,507
Motor expenses	26,332	39,292
Repairs and renewals	187,366	155,145
Computer costs	7,707	-
Sundry expenses	79,018	44,953
Bad debts	(10,657)	257,354
Accountancy	15,650	12,400
Legal & consultancy fees	192,245	79,195
Auditors' remuneration	10,000	10,000
Amortisation of intangible fixed assets		
Patents and licences	-	654
Depreciation of tangible fixed assets		
Freehold property	112,014	77,548
Plant and machinery	184,032	160,473
Fixtures and fittings	9,606	3,657
Motor vehicles	21,561	29,595
Profit/loss on sale of tangible fixed assets	(23,026)	(2,200)
Finance costs		
Bank charges	23,231	23,426
Exchange gains/losses	3,470	13,747
	<u>2,737,379</u>	<u>2,848,989</u>
 FINANCE COSTS		
Bank loan interest	13,978	10,300
Hire purchase	2,104	3,892
	<u>16,082</u>	<u>14,192</u>
 FINANCE INCOME		
Deposit account interest	223	808
	<u>223</u>	<u>808</u>

This page does not form part of the statutory financial statements