

Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 May 2022
for
Surescreen Holdings Limited

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for the Year Ended 31 May 2022

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Surescreen Holdings Limited

Company Information
for the Year Ended 31 May 2022

DIRECTORS:

D S Campbell
A R Campbell
A J Campbell

REGISTERED OFFICE:

Lucinda House
8B Little Oak Drive
Annesley
Nottinghamshire
NG15 0DR

REGISTERED NUMBER:

09067025 (England and Wales)

AUDITORS:

Bates Weston Audit Ltd
Statutory Auditors
Chartered Accountants
The Mills
Canal Street
Derby
DE1 2RJ

Group Strategic Report
for the Year Ended 31 May 2022

The group comprises the holding company, Surescreen Holdings Limited, and the three trading subsidiaries Surescreen Diagnostics Limited, Surescreen Scientifics Limited and Nutrivitality Limited.

REVIEW OF BUSINESS

Turnover for the year to 31 May 2022 for the group was £176.9m compared to the prior year of £150.9m, with profit before tax of £43.2m comparing to that of £67.7m in 2021.

Staff costs have increased to £14,746,693 (2021: £3,996,687) due to an increase in the number of agency staff employed, to fulfil contracts in Surescreen Diagnostics Limited.

Surescreen Diagnostics Limited showed turnover of £173.4m (2021: £148.1m) and profit before tax of £43.9m (2021: £67.2m). The increase in turnover was as a result of the continuation of contracts that were awarded in the prior year as well as some additional business for export markets. Following the completion of the contract after date, turnover and profits are expected to decrease substantially into the future, though remain above pre contract levels due to the exposure the contract created.

Surescreen Scientifics Limited showed turnover of £1.4m (2021: £1.4m) and profit before tax of £354k (2021: £492k).

Nutrivitality Limited showed turnover of £2.1m (2021: £1.4m) and a loss before tax of -£564k (2021: profit before tax £28k). Turnover has increased due to the continued growth of the business, however infrastructure costs required to push into new markets contributed to losses in the period and a net liabilities position at the balance sheet date. The directors are of the opinion that this liability is only short term and there are sufficient resources within the group to support the company and allow it to continue trading into the foreseeable future.

During 2023, there was a group restructuring involving a material capital reduction demerger.

PRINCIPAL RISKS AND UNCERTAINTIES

The market for lateral flow testing is changing quickly given the focus during the Covid-19 pandemic. The management team are focused on navigating these changes over time as well as planning ahead for the positive market trends for testing, as well as other sides of the business.

SECTION 172(1) STATEMENT

The directors consider, both individually and together, that they have acted in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year ended 31 May 2022.

KEY PERFORMANCE INDICATORS

Performance is measured on an ongoing basis by KPIs such as turnover, gross margins, overheads, and cash levels.

ENGAGEMENT WITH EMPLOYEES

Within the bounds of confidentiality, staff at all levels are kept fully informed of matters that affect the progress of the company and group and are of interest to them as employees.

Disabled persons are given full and fair consideration for all types of vacancy. If an existing employee becomes disabled, such steps as are practical and reasonable are taken to retain him/her in employment. Where appropriate, assistance with rehabilitation and suitable training are given. Disabled persons have equal opportunities for training, career development and promotion, except insofar as such opportunities are constrained by the practical limitations of their disability.

Group Strategic Report
for the Year Ended 31 May 2022

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

The directors have had regard to the need to foster the company's business relationships with suppliers, customers and others.

ON BEHALF OF THE BOARD:

D S Campbell - Director

31 May 2023

Report of the Directors
for the Year Ended 31 May 2022

The directors present their report with the financial statements of the company and the group for the year ended 31 May 2022.

DIVIDENDS

An interim dividend of £5000 per share was paid on the Ordinary £1 shares on 25 January 2022. No dividends were paid on any other classes of shares.

The total distribution of dividends for the year ended 31 May 2022 will be £ 3,000,000 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2021 to the date of this report.

D S Campbell
A R Campbell
A J Campbell

STREAMLINED ENERGY AND CARBON REPORTING

This section includes our mandatory reporting of energy and greenhouse gas emissions for the period 1 June 2021 to 31 May 2022, pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the government's Streamlined Energy and Carbon Reporting (SECR) policy.

Our methodology to calculate our greenhouse gas emissions follows best practice and is based on HM Government Environmental Reporting Guidelines March 2019. All emissions factors are taken from UK Government GHG Conversion Factors for Company Reporting, as applicable to each reporting year. Scope 1 and Scope 2 consumption data (diesel and electricity, respectively) is taken from validated and verified Utility Suppliers invoices, with appropriate allocation on a pro-rata basis applied for any gaps in the supplied data. Scope 1 & 3 business travel data is taken from internal tracking systems (including expenses and recorded mileage), and applicable emissions factors applied; Company fleet classed as scope 1 emissions as defined in HM Government Environmental Reporting Guidelines March 2019.

During the reporting period, the energy efficiency actions taken include installation of ClearVUE.Zero energy monitoring and carbon accounting platform, to obtain granular consumption and carbon data for operations; training of staff in energy monitoring, to raise awareness of wasteful practices; and development and deployment of an energy efficiency plan developed by ClearVUE energy managers, with the targeted aim of reducing energy consumption by at least 5%.

	01/06/2021 - 31/05/2022
Total Energy Consumption (kWh)	1,120,955
Gas Combustion Emissions, Scope 1 (tCO2e)	0
Other Fuels Emissions, Scope 1 (tCO2e)	197
Electricity Emissions, Scope 2 (tCO2e)	58
Electricity Transmission & Distribution, Scope 3 (tCO2e)	5
Transport Fuel, Scope 1 Company Fleet (tCO2e)	15
Transport Fuel, Scope 3 (tCO2e)	0
WTT, Scope 3 (tCO2e)	4
Intensity Ratio: Turnover (kgCO2e / £m)	1,576.80

Report of the Directors
for the Year Ended 31 May 2022

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 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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:

D S Campbell - Director

31 May 2023

Report of the Independent Auditors to the Members of Surescreen Holdings Limited

Qualified opinion

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

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements:

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

Basis for qualified opinion

In respect of the year ended 31 May 2021, we were unable to obtain sufficient appropriate audit evidence about the carrying value and quantities of stock which had a carrying amount at the balance sheet date of £15,164,527. In addition, management had not included all stock held by the group at 31 May 2021 due to a lack of documentary evidence.

The qualification remains in respect of the reversal for the opening balance but following audit testing we are satisfied that the closing stock balance at 31 May 2022 is not materially misstated.

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 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 obtained is sufficient and appropriate to provide a basis for our qualified 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.

Report of the Independent Auditors to the Members of
Surescreen Holdings Limited

Opinions on other matters prescribed by the Companies Act 2006

Except for the matter described in the basis for qualified 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.

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the 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 five, 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
Surescreen Holdings 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.

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

Based on our understanding of the company and industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the engineering industry and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. Audit procedures performed by the engagement team included:

- Enquiry of management around actual and potential litigation and claims;
- 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 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 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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Neal FCA CTA (Senior Statutory Auditor)
for and on behalf of Bates Weston Audit Ltd
Statutory Auditors
Chartered Accountants
The Mills
Canal Street
Derby
DE1 2RJ

31 May 2023

Consolidated
Profit and Loss Account
for the Year Ended 31 May 2022

	Notes	2022 £	2021 £
TURNOVER		176,925,063	150,892,203
Cost of sales		<u>107,316,333</u>	<u>76,649,674</u>
GROSS PROFIT		69,608,730	74,242,529
Administrative expenses		<u>31,763,746</u>	<u>6,776,111</u>
		37,844,984	67,466,418
Other operating income		<u>5,575,708</u>	<u>275,694</u>
OPERATING PROFIT	4	43,420,692	67,742,112
Interest receivable and similar income		<u>-</u>	<u>22,661</u>
		43,420,692	67,764,773
Interest payable and similar expenses	6	<u>193,991</u>	<u>43,809</u>
PROFIT BEFORE TAXATION		43,226,701	67,720,964
Tax on profit	7	<u>7,826,054</u>	<u>12,793,602</u>
PROFIT FOR THE FINANCIAL YEAR		35,400,647	54,927,362
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>35,400,647</u>	<u>54,927,362</u>
Profit attributable to:			
Owners of the parent		<u>35,400,647</u>	<u>54,927,362</u>
Total comprehensive income attributable to:			
Owners of the parent		<u>35,400,647</u>	<u>54,927,362</u>

Surescreen Holdings Limited (Registered number: 09067025)**Consolidated Balance Sheet**
31 May 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	10		21,528		18,643
Tangible assets	11		24,433,817		8,985,392
Investments	12		344		100,000
Investment property	13		10,311,362		3,101,891
			<u>34,767,051</u>		<u>12,205,926</u>
CURRENT ASSETS					
Stocks	14	10,587,092		15,164,527	
Debtors	15	48,368,868		61,289,451	
Cash at bank and in hand		<u>36,893,292</u>		<u>19,404,944</u>	
		95,849,252		95,858,922	
CREDITORS					
Amounts falling due within one year	16	<u>36,281,555</u>		<u>42,299,635</u>	
NET CURRENT ASSETS			<u>59,567,697</u>		<u>53,559,287</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			94,334,748		65,765,213
CREDITORS					
Amounts falling due after more than one year	17		(507,610)		(6,807,558)
PROVISIONS FOR LIABILITIES	21		<u>(2,913,188)</u>		<u>(444,352)</u>
NET ASSETS			<u>90,913,950</u>		<u>58,513,303</u>
CAPITAL AND RESERVES					
Called up share capital	22		600		600
Retained earnings	23		90,913,350		58,512,703
SHAREHOLDERS' FUNDS			<u>90,913,950</u>		<u>58,513,303</u>

The financial statements were approved by the Board of Directors and authorised for issue on 31 May 2023 and were signed on its behalf by:

D S Campbell - Director

Surescreen Holdings Limited (Registered number: 09067025)

Company Balance Sheet
31 May 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		-		-
Investments	12		1,301,037		1,400,690
Investment property	13		<u>10,311,362</u>		<u>3,101,891</u>
			11,612,399		4,502,581
CURRENT ASSETS					
Debtors	15	55,999,381		56,118,968	
Cash at bank		<u>26,294,500</u>		<u>20,305</u>	
		82,293,881		56,139,273	
CREDITORS					
Amounts falling due within one year	16	<u>3,018,710</u>		<u>777,211</u>	
NET CURRENT ASSETS			<u>79,275,171</u>		<u>55,362,062</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			90,887,570		59,864,643
CREDITORS					
Amounts falling due after more than one year	17		-		1,542,910
NET ASSETS			<u>90,887,570</u>		<u>58,321,733</u>
CAPITAL AND RESERVES					
Called up share capital	22		600		600
Retained earnings			<u>90,886,970</u>		<u>58,321,133</u>
SHAREHOLDERS' FUNDS			<u>90,887,570</u>		<u>58,321,733</u>
Company's profit for the financial year			<u>35,565,837</u>		<u>55,358,288</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 31 May 2023 and were signed on its behalf by:

D S Campbell - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the Year Ended 31 May 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 June 2020	600	3,829,541	3,830,141
Changes in equity			
Dividends	-	(244,200)	(244,200)
Total comprehensive income	-	54,927,362	54,927,362
Balance at 31 May 2021	<u>600</u>	<u>58,512,703</u>	<u>58,513,303</u>
Changes in equity			
Dividends	-	(3,000,000)	(3,000,000)
Total comprehensive income	-	35,400,647	35,400,647
Balance at 31 May 2022	<u>600</u>	<u>90,913,350</u>	<u>90,913,950</u>

Company Statement of Changes in Equity
for the Year Ended 31 May 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 June 2020	600	3,207,045	3,207,645
Changes in equity			
Dividends	-	(244,200)	(244,200)
Total comprehensive income	-	55,358,288	55,358,288
Balance at 31 May 2021	600	58,321,133	58,321,733
Changes in equity			
Dividends	-	(3,000,000)	(3,000,000)
Total comprehensive income	-	35,565,837	35,565,837
Balance at 31 May 2022	600	90,886,970	90,887,570

**Consolidated Cash Flow Statement
for the Year Ended 31 May 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	26	48,135,478	28,078,565
Interest paid		(191,773)	(41,638)
Interest element of hire purchase payments paid		(2,218)	(2,171)
Tax paid		104,558	(5,860)
Net cash from operating activities		<u>48,046,045</u>	<u>28,028,896</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(6,135)	(4,163)
Purchase of tangible fixed assets		(22,321,992)	(9,249,900)
Purchase of fixed asset investments		(240,140)	(100,000)
Purchase of investment property		(7,209,471)	-
Sale of tangible fixed assets		17,345	15,588
Interest received		-	22,661
Net cash from investing activities		<u>(29,760,393)</u>	<u>(9,315,814)</u>
Cash flows from financing activities			
Capital repayments in year		(25,831)	50,817
Amount introduced by directors		3,000,003	244,200
Amount withdrawn by directors		(771,476)	(415,380)
Equity dividends paid		(3,000,000)	(244,200)
Net cash from financing activities		<u>(797,304)</u>	<u>(364,563)</u>
Increase in cash and cash equivalents		<u>17,488,348</u>	<u>18,348,519</u>
Cash and cash equivalents at beginning of year	27	19,404,944	1,056,425
Cash and cash equivalents at end of year	27	<u>36,893,292</u>	<u>19,404,944</u>

The notes form part of these financial statements

Notes to the Consolidated Financial Statements
for the Year Ended 31 May 2022

1. STATUTORY INFORMATION

Surescreen Holdings 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 preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Consolidation

The consolidated accounts incorporate the accounts of Surescreen Holdings Limited and all of its subsidiary undertakings. Merger accounting has been adopted to include the results of one subsidiary as if they had always formed part of the group and the comparatives reflect this, including adjustments to affect the accounting period. The acquisition method of accounting has been adopted for the remaining subsidiaries.

In the company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of nil years.

Tangible fixed assets

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	- not provided
Short leasehold	- 10% on cost
Plant and machinery	- Straight line over 2 years and 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Investment property

Investment property is shown at most recent valuation, which is considered to be cost. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is based on purchase price on a first in first out basis.

Net realisable value is based on the estimated selling price less further costs expected to be incurred to completion and disposal.

At each reporting date, stock is assessed for impairment. If impaired, the carrying amount is reduced and the impairment loss is recognised immediately in the profit and loss account.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2022

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

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

Grants

Revenue grants are recognised in the profit and loss account so as to match them with the expenditure which they are intended to contribute towards. Capital grants are recognised systematically in the profit and loss account over the useful economic life of the asset to which the grant relates.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2022

2. ACCOUNTING POLICIES - continued

Judgements in applying accounting policies and key sources of estimation

In the application of the group's accounting policies the directors are required to make judgement estimates and assumptions about the carrying amounts of the group's assets and liabilities. These are based on historical experience and other factors that are considered relevant and are reviewed on a regular basis and recognised in the period in which the estimate is revised. Actual results may differ from these estimates.

The following are the critical judgements and where relevant the key sources of estimation uncertainty:

Tangible fixed assets are depreciated over their useful economic lives taking in to account their residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing the asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken in to account. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values.

The recoverability of debtors is assessed on the likelihood and circumstances of the particular cost.

The value of stock is assessed for impairment. In re-assessing the stock value, factors such as slow movement and obsolescence are taken in to account.

As regards to the fair value of the properties held for investment purposes, the directors have considered the portfolio on an aggregate basis given the capital growth potential in the foreseeable future.

3. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	14,331,677	3,788,927
Social security costs	360,644	181,386
Other pension costs	54,372	26,374
	<u>14,746,693</u>	<u>3,996,687</u>

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

	2022	2021
Directors	3	3
Admin, production and sales	<u>126</u>	<u>63</u>
	<u>129</u>	<u>66</u>

	2022	2021
	£	£
Directors' remuneration	<u>38,641</u>	<u>40,958</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2022

4. OPERATING PROFIT

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

	2022	2021
	£	£
Hire of plant and machinery	318,503	92,516
Depreciation - owned assets	6,844,362	989,087
Depreciation - assets on hire purchase contracts	2,245	2,751
Loss/(profit) on disposal of fixed assets	9,715	(2,714)
Goodwill amortisation	27	31
Patents and licences amortisation	3,223	3,765
Auditors' remuneration	92,900	-
Foreign exchange differences	(459,272)	406,874
Auditors remuneration - non audit work	36,471	29,980
Research and development	<u>6,697,309</u>	<u>274,685</u>

5. EXCEPTIONAL ITEMS

	2022	2021
	£	£
Impairment of investment in associate	<u>(339,796)</u>	<u>-</u>

The investment in associate is impaired due to the net liabilities position of the most up to date financial statements.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest	10,317	40
Bank loan interest	56,156	41,598
Interest on taxation	125,300	-
Hire purchase	2,218	2,171
	<u>193,991</u>	<u>43,809</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	5,438,000	12,404,000
Prior year adjustment	(80,781)	17
Total current tax	<u>5,357,219</u>	<u>12,404,017</u>
Deferred tax	2,468,835	389,585
Tax on profit	<u>7,826,054</u>	<u>12,793,602</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2022

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2022 £	2021 £
Profit before tax	43,226,701	67,720,964
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %)	8,213,073	12,866,983
Effects of:		
Expenses not deductible for tax purposes	64,967	2,311
Income not taxable for tax purposes	(1,057,989)	(49,063)
Capital allowances in excess of depreciation	(1,097,625)	(348,222)
Other permanent differences	2,388,143	389,440
Research and development	(684,515)	(67,847)
Total tax charge	7,826,054	12,793,602

8. INDIVIDUAL PROFIT AND LOSS ACCOUNT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. DIVIDENDS

	2022 £	2021 £
Ordinary shares of £1 each		
Interim	3,000,000	244,200

10. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Patents and licences £	Totals £
COST			
At 1 June 2021	312	136,521	136,833
Additions	-	6,135	6,135
At 31 May 2022	312	142,656	142,968
AMORTISATION			
At 1 June 2021	284	117,906	118,190
Amortisation for year	27	3,223	3,250
At 31 May 2022	311	121,129	121,440
NET BOOK VALUE			
At 31 May 2022	1	21,527	21,528
At 31 May 2021	28	18,615	18,643

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2022

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short leasehold £	Plant and machinery £
COST			
At 1 June 2021	-	540,536	7,842,501
Additions	709,158	4,008,424	16,128,208
Disposals	-	-	(21,655)
At 31 May 2022	709,158	4,548,960	23,949,054
DEPRECIATION			
At 1 June 2021	-	309,070	755,622
Charge for year	-	428,621	5,639,073
Eliminated on disposal	-	-	(17,323)
At 31 May 2022	-	737,691	6,377,372
NET BOOK VALUE			
At 31 May 2022	709,158	3,811,269	17,571,682
At 31 May 2021	-	231,466	7,086,879

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 June 2021	2,150,269	124,135	277,158	10,934,599
Additions	1,136,785	212,183	127,234	22,321,992
Disposals	(6,348)	(38,556)	(8,746)	(75,305)
At 31 May 2022	3,280,706	297,762	395,646	33,181,286
DEPRECIATION				
At 1 June 2021	677,967	57,719	148,829	1,949,207
Charge for year	650,733	64,930	63,250	6,846,607
Eliminated on disposal	(5,031)	(19,722)	(6,269)	(48,345)
At 31 May 2022	1,323,669	102,927	205,810	8,747,469
NET BOOK VALUE				
At 31 May 2022	1,957,037	194,835	189,836	24,433,817
At 31 May 2021	1,472,302	66,416	128,329	8,985,392

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2022

12. **FIXED ASSET INVESTMENTS**

Group

	Unlisted investments £
COST	
At 1 June 2021	100,000
Additions	240,140
Impairments	(339,796)
At 31 May 2022	<u>344</u>
NET BOOK VALUE	
At 31 May 2022	<u>344</u>
At 31 May 2021	<u>100,000</u>

Company

	Other investments £
COST	
At 1 June 2021	1,400,690
Additions	240,143
Impairments	(339,796)
At 31 May 2022	<u>1,301,037</u>
NET BOOK VALUE	
At 31 May 2022	<u>1,301,037</u>
At 31 May 2021	<u>1,400,690</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Surescreen Diagnostics Limited

Registered office: Lucinda House, Sherwood Business Park, Little Oak Drive, NG15 0DR

Nature of business: Human health activities

	%
Class of shares:	holding
Ordinary	100.00

Surescreen Scientifics Limited

Registered office: Lucinda House, Sherwood Business Park, Little Oak Drive, NG15 0DR

Nature of business: Technical testing and analysis

	%
Class of shares:	holding
Ordinary	100.00

Nutrivitality Limited

Registered office: 17 Eagle Park, Alfreton Road, Derby DE21 4BF

Nature of business: Manufacture of dietic food

	%
Class of shares:	holding
Ordinary	100.00

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2022

12. **FIXED ASSET INVESTMENTS - continued**

Surescreen Ireland Limited

Registered office: Lucinda House, Sherwood Business Park, Little Oak Drive, NG15 0DR

Nature of business: Dormant company

	%
Class of shares:	holding
Ordinary	100.00

Surescreen Life Sciences Limited

Registered office: Lucinda House, Sherwood Business Park, Little Oak Drive, NG15 0DR

Nature of business: Dormant company

	%
Class of shares:	holding
Ordinary	100.00

The Caimbeul Group Limited

Registered office: Lucinda House, Sherwood Business Park, Little Oak Drive, NG15 0DR

Nature of business: Dormant company

	%
Class of shares:	holding
Ordinary	100.00

J Snow and Associates Limited

Registered office: Lucinda House, Sherwood Business Park, Little Oak Drive, NG15 0DR

Nature of business: Dormant company

	%
Class of shares:	holding
Ordinary	100.00

DSC Investments Limited

Registered office: Lucinda House, Sherwood Business Park, Little Oak Drive, NG15 0DR

Nature of business: Dormant company

	%
Class of shares:	holding
Ordinary	100.00

Associated company

Calmen Lifestyle Company Ltd

Registered office: Cassidys Chartered Accountants, South Stour Offices, Mersham, Kent, England, TN25 7HS

Nature of business: Manufacture of perfumes and toilet preparations

	%
Class of shares:	holding
Ordinary	20.52

	31.1.22	31.1.21
	£	£
Aggregate capital and reserves	(20,193)	305,204
Loss for the year	<u>(475,397)</u>	<u>(103,902)</u>

Calmen Lifestyle Company Ltd became an associated company on 6 April 2022.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2022

13. **INVESTMENT PROPERTY**

Group

	Total £
FAIR VALUE	
At 1 June 2021	3,101,891
Additions	7,209,471
At 31 May 2022	<u>10,311,362</u>
NET BOOK VALUE	
At 31 May 2022	<u>10,311,362</u>
At 31 May 2021	<u>3,101,891</u>

Fair value at 31 May 2022 is represented by:

	£
Valuation in 2022	<u>10,311,362</u>

Company

	Total £
FAIR VALUE	
At 1 June 2021	3,101,891
Additions	7,209,471
At 31 May 2022	<u>10,311,362</u>
NET BOOK VALUE	
At 31 May 2022	<u>10,311,362</u>
At 31 May 2021	<u>3,101,891</u>

Fair value at 31 May 2022 is represented by:

	£
Valuation in 2022	<u>10,311,362</u>

If investment property had not been revalued it would have been included at the following historical cost:

	2022 £	2021 £
Cost	10,311,362	3,101,891
Aggregate depreciation	<u>(448,038)</u>	<u>(253,827)</u>

Investment property was valued on a fair value basis on 31 May 2022 by the directors .

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2022

14. **STOCKS**

	Group	
	2022	2021
	£	£
Stocks	10,587,092	15,164,527

15. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	47,614,981	60,125,609	-	-
Amounts owed by group undertakings	-	-	55,999,171	55,997,958
Other debtors	328,611	981,262	210	121,010
Tax	7,841	-	-	-
Prepayments	417,435	182,580	-	-
	<u>48,368,868</u>	<u>61,289,451</u>	<u>55,999,381</u>	<u>56,118,968</u>

16. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts (see note 18)	173,621	235,717	-	114,619
Other loans (see note 18)	-	51,133	-	-
Hire purchase contracts (see note 19)	26,569	24,448	-	-
Trade creditors	2,380,110	2,457,872	-	-
Amounts owed to group undertakings	-	-	300,140	100,000
Tax	17,873,617	12,404,000	-	-
Social security and other taxes	5,276,344	24,394,351	7,200	62,200
Other creditors	281,506	284,349	253,927	271,476
Forward contract liability	-	263,941	-	-
Directors' loan accounts	2,457,443	228,916	2,457,443	228,916
Accrued expenses	504,870	346,816	-	-
Deferred government grants	7,307,475	1,608,092	-	-
	<u>36,281,555</u>	<u>42,299,635</u>	<u>3,018,710</u>	<u>777,211</u>

17. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans (see note 18)	462,500	2,171,811	-	1,542,910
Other loans (see note 18)	-	8,488	-	-
Hire purchase contracts (see note 19)	9,556	37,508	-	-
Deferred government grants	35,554	4,589,751	-	-
	<u>507,610</u>	<u>6,807,558</u>	<u>-</u>	<u>1,542,910</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2022

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Amounts falling due within one year or on demand:				
Bank loans	173,621	235,717	-	114,619
Other loans	-	51,133	-	-
	<u>173,621</u>	<u>286,850</u>	<u>-</u>	<u>114,619</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	150,000	256,215	-	117,412
Other loans - 1-2 years	-	8,488	-	-
	<u>150,000</u>	<u>264,703</u>	<u>-</u>	<u>117,412</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	312,500	802,954	-	369,683
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	-	1,112,642	-	1,055,815

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2022 £	2021 £
Net obligations repayable:		
Within one year	26,569	24,448
Between one and five years	<u>9,556</u>	<u>37,508</u>
	<u>36,125</u>	<u>61,956</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2022

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Other loans	-	59,621	-	-
Hire purchase contracts	36,125	61,956	-	-
Bank loans	-	1,657,529	-	1,657,529
	<u>36,125</u>	<u>1,779,106</u>	<u>-</u>	<u>1,657,529</u>

The bank borrowings are secured on the property of the group and by a fixed and floating debenture over the assets of the group.

Other loans and hire purchase balances are secured on the assets to which they relate.

21. PROVISIONS FOR LIABILITIES

	Group	
	2022	2021
	£	£
Deferred tax	<u>2,913,188</u>	<u>444,352</u>

Group

	Deferred tax £
Balance at 1 June 2021	444,352
Provided during year	2,468,836
Balance at 31 May 2022	<u>2,913,188</u>

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
600	Ordinary	£1	<u>600</u>	<u>600</u>

23. RESERVES

Group

	Retained earnings £
At 1 June 2021	58,512,703
Profit for the year	35,400,647
Dividends	(3,000,000)
At 31 May 2022	<u>90,913,350</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2022

24. **ULTIMATE PARENT COMPANY**

Post year end, there has been the incorporation of a new parent company, Surescreen Holdings (2022) Limited.

25. **RELATED PARTY DISCLOSURES**

The directors and shareholders maintain current accounts with the company. At the balance sheet date, the balances owed to such persons are included within the creditors note. The balances are interest free and repayable on demand.

During the year, the group traded with another company which is an associate of the parent company. At the year end, £312,298 (2021: £128,480) was included within trade debtors of which £312,269 (2021: £60,459) has been provided for as a bad debt.

26. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2022 £	2021 £
Profit before taxation	43,226,701	67,720,964
Depreciation charges	6,849,856	995,634
Loss/(profit) on disposal of fixed assets	9,615	(2,714)
Impairment of fixed asset investment	339,796	-
Finance costs	193,991	43,809
Finance income	-	(22,661)
	<u>50,619,959</u>	<u>68,735,032</u>
Decrease/(increase) in stocks	4,577,435	(12,776,584)
Decrease/(increase) in trade and other debtors	12,928,424	(59,922,433)
(Decrease)/increase in trade and other creditors	<u>(19,990,340)</u>	<u>32,042,550</u>
Cash generated from operations	<u>48,135,478</u>	<u>28,078,565</u>

27. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 May 2022

	31.5.22 £	1.6.21 £
Cash and cash equivalents	<u>36,893,292</u>	<u>19,404,944</u>

Year ended 31 May 2021

	31.5.21 £	1.6.20 £
Cash and cash equivalents	<u>19,404,944</u>	<u>1,056,425</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2022

28. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.6.21 £	Cash flow £	At 31.5.22 £
Net cash			
Cash at bank and in hand	19,404,944	17,488,348	36,893,292
	<u>19,404,944</u>	<u>17,488,348</u>	<u>36,893,292</u>
Debt			
Finance leases	(61,956)	25,831	(36,125)
Debts falling due within 1 year	(286,850)	113,229	(173,621)
Debts falling due after 1 year	(2,180,299)	1,717,799	(462,500)
	<u>(2,529,105)</u>	<u>1,856,859</u>	<u>(672,246)</u>
Total	<u>16,875,839</u>	<u>19,345,207</u>	<u>36,221,046</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.