

Company Registration No. 02161331 (England and Wales)

GLASDON GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

GLASDON GROUP LIMITED

COMPANY INFORMATION

Directors	Mr D J Sidebottom MBE Mr P A Greenwood Mr A C Jackson Mr J J W Hodgson Mr A M Steen Mrs J Kavanagh Mr M C Cooper
Secretary	Mr A C Jackson
Company number	02161331
Registered office	Glasdon House Preston New Road Blackpool FY4 4WA
Auditor	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP
Solicitors	Napthens Solicitors LLP Jubilee House East Beach Lytham St. Annes FY8 5FT

GLASDON GROUP LIMITED

CONTENTS

	Page
Strategic report	1 - 8
Directors' report	9 - 10
Directors' responsibilities statement	11
Independent auditor's report	12 - 14
Profit and loss account	15
Group statement of comprehensive income	16
Group balance sheet	17 - 18
Company balance sheet	19 - 20
Group statement of changes in equity	21 - 22
Company statement of changes in equity	23
Group statement of cash flows	24
Notes to the financial statements	25 - 52

GLASDON GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2021

The directors present the strategic report for the year ended 31 October 2021.

Fair review of the business

Glasdon Group Limited and its subsidiaries are engaged in the design, manufacture and marketing of award winning environmental, litter and waste collection/recycling and road, winter and water safety products as well as a diverse range of building systems, industrial housing and passenger and cycle shelters.

Turnover for the current year increased by 16.2% to £33,960,482 (2020: £29,216,769) and gross profit increased by 16.5% to £18,673,752 (2020: £16,029,382). Profit on ordinary activities before taxation was £10,372,906 in the year ended 31 October 2021 compared with £3,063,112 in the previous year.

The group utilised cash of £918,551 during 2021 (2020: generated £3,656,517), after total capital expenditure of £358,286 (2020: £760,305) and additions to the actively managed investment portfolio of £6,000,000. Net cash inflow from operating activities was £5,538,638 compared to £5,036,284 in the previous year. The group cash flow statement is set out on page 24 of the financial statements.

Principal risks and uncertainties

The principal risks and uncertainties impacting the group along with the procedures in place to mitigate these risks and uncertainties are described below:

Market uncertainty

- Diversity of product portfolio, operations and markets.
- Robust and prudent working capital management and cash retention policies.

Reduction in Government spending

- Diversification and expansion into different domestic and overseas markets.
- Permanent emphasis on new product development and diversification.
- Continual focus on research and development, product quality, innovation and customer service.

Failure of a major supplier

- Detailed financial review and audit of all prospective new suppliers.
- Continual monitoring of the financial position of all suppliers.
- Dual sourcing and supply arrangements with a broad supplier base.
- Regular review of supplier contingency plans by senior management.

Reliance on and retention of key personnel

- Comprehensive and structured succession planning strategy.
- Graduate and apprentice recruitment programme to maintain the succession pool.
- Active encouragement of promotion within the Group.
- Established staff appraisal system and annual employee opinion survey plus training and development programmes.
- Competitive remuneration and benefits packages, including a final salary pension scheme.

GLASDON GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

Pension obligation and funding

- Engagement of external advisors, investment managers and actuaries.
- Annual and triennial scheme valuations.
- Employer contributions paid in excess of those recommended by the Scheme Actuary.
- Close and continual monitoring of all scheme risks and investment strategy by the Trustees.

The board will continue to monitor developments and all emerging risks extremely closely and will take further action as appropriate.

Streamlined energy and carbon reporting

Carbon emissions and energy consumption

	2021	2020	2021	2020
	tCO₂	tCO₂	kWh	kWh
Direct emissions				
Gas	22.53	22.86	122,983	124,802
Use of fuel for transport	26.10	28.26	106,579	115,377
Fuels	0.07	0.06	265	211
Total	48.70	51.18	229,827	240,390
Indirect emissions				
Electricity	12.43	18.81	58,560	59,139
Emissions from business travel in rental cars and employee-owned vehicles	0.01	15.59	52	32
Total	12.44	34.40	58,612	59,171

The information above relates to the financial year from 1st November 2020 to 31st October 2021 in respect of the parent company only. All subsidiaries in the group fall beneath the reporting thresholds individually meaning their energy use and carbon emissions data has not been disclosed. Comparative figures have been updated to recognise consistent methodology.

Intensity measures

Total carbon emissions per m2 of gross floor area in the year to 31st October 2021 were 0.047 tCO₂ (2020: 0.053).

GLASDON GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

Methodology

Glasdon Group Ltd collects and reports data in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition. Data is based on energy and fuel consumption for the period 1 November 2020 to 31 October 2021, with an operational control boundary.

A market-based approach was used to consider renewable sources of scope 2 energy (opposed to a location-based approach) for 2021.

UK CO2e emissions were calculated using DEFRA (2021) greenhouse gas reporting conversion factors for all fuels. The following factors were used to calculate emissions for non-UK energy: United States: US Environmental Protection Agency (EPA) eGrid (2021); France: Statista.

Energy efficient actions taken

During the reporting period, Glasdon Group Ltd undertook initiatives to reduce carbon emissions, including the purchasing and consumption of green electricity, and investing in electric vehicles.

In 2021, Glasdon Group Ltd used 71,574 kwh (55%) renewable electricity, saving 15 tCO2e. Additionally, Glasdon Group Ltd invested in electric cars, replacing two of their petrol consuming combustion vehicles.

Glasdon Group Ltd also implemented the digital software 'DocuSign' to significantly reduce emissions that arise from printing, as well as made hybrid working a permanent feature with the aim of reducing energy consumption.

Other information and explanations

Future developments

The directors plan to maintain the management policies that have produced the satisfactory results achieved during the year.

Financial instruments

The group makes little use of financial instruments other than an operational bank account and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material to the assessment of assets, liabilities, financial position and profit or loss of the group.

Liquidity management

The board have made the decision to continue to invest further monies into an actively managed investment portfolio to generate a new stream of income separate from the trading activities of the group.

Research and development

The group is totally committed to research and development and maintains a dedicated team to meet customers' changing requirements and to develop new market opportunities. It is continuing policy of the group to invest in formal international protection of its intellectual property rights wherever applicable and to defend vigorously those rights against infringement.

GLASDON GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

Health and safety

The group seeks to comply with all relevant health and safety legislation and regulations in recognising its obligation to ensure, as far as is reasonably practicable, that safe working rules are established and maintained to secure employees health, safety and welfare at work.

It is the group's intention to ensure that employees are aware of relevant occupational hazards and of provisions to deal with emergency situations should it arise and therefore the group ensures that training and instructions are provided to enable employees to perform work safely and efficiently.

All companies within the group have individual Health and Safety manuals providing detailed information on all relevant aspects as appropriate to materials, processes, work methods, hazards and legal obligations of both employers and employees and to outside contractors.

The employee handbook also includes a general statement of intent regarding Health and Safety policy.

Environment

The group is committed to continuously improving its environmental performance and continues to integrate sustainable and ethical practice in day-to-day activities, aiming to be an economically and socially responsible member of the local and global community.

Wherever possible, new products are designed using recycled and recyclable materials, with consideration given to sustainability throughout the product lifecycle. Continual research is carried out into new sustainable technologies and manufacturing processes in order to achieve this.

The group's waste management process encourages employees to reduce, reuse and recycle. The group continues to comply with duty to promote the success of the group.

This statement by the board describes how the responsibilities under Section 172 (1) (a) to (f) of the Companies Act 2006 have been approached and discharged.

The directors consider that they have acted in good faith to promote the success of the group for the benefit of its stakeholders, in relation to matters set out in Section 172 of the Act.

The directors have determined the group's key stakeholders to be employees, customers, suppliers, shareholders, pension scheme members and the local communities in which we operate. These stakeholders are critical to the ongoing success of the business and so it is recognised that engagement is an important aspect in those relationships.

The directors understand that their relationships with its stakeholders are dynamic, and that stakeholders' interests may change over time. In response to this, the directors keep themselves informed of the group's key stakeholders' interests through a combination of direct and indirect engagement. The directors recognise their responsibility towards stakeholders at all times when discharging their duties.

The directors have overall responsibility for delivering the group's strategy and values and for ensuring high standards of governance. The primary aim of the directors is to promote the long-term sustainable success of the group to generate long-term benefit for all stakeholders.

Decision making

The group has processes in place to capture and consider the views of all its stakeholders and share their views at relevant levels within the business, including the board, to ensure that regard is given to these views in decision-making processes.

GLASDON GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

The board recognises that difficult decisions must sometimes be taken which require each director to exercise independent judgement and apply reasonable care, skill and diligence in the decision-making process. In doing so, the board recognises its responsibilities to the group's different stakeholders. The board also considers the group's purpose, vision and values together with its strategic priorities.

Employee engagement

Our workforce is our most valuable asset. The directors recognise that the importance of a highly engaged and motivated workforce is core to our business and the delivery of the group's strategic ambitions.

The directors consider the health, safety and wellbeing of our employees is one of the primary considerations in the management of the business and in the way we do business.

Safe working practices that minimise environmental impact are key to the success of the business and are vitally important for our stakeholders, the communities and the environments we work in.

The group invests in training, coaching and skills acquisition. Personal development of our employees is a key pillar of our group's strategy. We aim to be a responsible employer in our approach to the pay and benefits of our employees.

We encourage employees to participate in the development and growth of the business and share in its success.

The directors recognise and understand the importance of keeping employees fully informed on all matters concerning them and this is achieved in a number of ways including the intranet, newsletters, site notices, meetings, verbal and written communications. All employees are also requested to participate in an online annual employee opinion survey in order to help in assessing our employees' concerns and aspirations.

Regular updates on performance (both financial and non-financial) are also shared with all our employees.

The board and senior management are responsible for ensuring that the group's purpose, vision and values are effectively communicated to employees and the group's activities reflect the culture we wish to instil in our employees.

The group is committed to promoting a diverse and inclusive workforce, reflective of the communities in which it does business. We approach diversity in the broadest sense, recognising that successful businesses flourish through embracing diversity into their business and developing talent at every level in the organisation.

Customers

Customer care is at the heart of everything we do. The directors recognise that the importance of creating long lasting relationships with both our direct and indirect customers is fundamental to the way we do business.

The group has built, and continues to grow, the business on a reputation for delivering excellent customer service. The group, through the senior management team and employees, strives continuously to improve in every aspect of the products and services it provides for the mutual benefit of all stakeholders.

The group prides itself on anticipating customers' product needs and the core of our business is to provide quality products which improve public spaces, enhance water and road safety and protect the environment. These products help communities, businesses, schools and our other customers to practice sustainability.

GLASDON GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

Our commitment to customer service means that a fully trained team of sales representatives and technical staff are available to our customers for product demonstrations, enquiries and after sales service.

The group supports multiple channels of communication with its customers through regular dialogue, customer satisfaction surveys, customer telephone support and social media. Customer feedback is gathered through these channels and acted upon to assist in the development of the group's strategy.

Business relationships

The directors recognise the need to foster the group's business relationships with customers, suppliers and others and ensures that the group has processes in place to engage and consult with all its business partners on a regular basis to develop and maintain lasting and meaningful relationships.

The group has a clear policy of selecting, managing and monitoring its suppliers. The group enjoys good relationships with suppliers and has established a network of proven, high quality suppliers who work with us to meet our stringent quality standards.

The group proactively engages and consults with its suppliers as required to understand their views and needs. The group is mindful of payment policies, practices and performance with respect to its suppliers and takes steps to ensure that agreed payment terms are strictly adhered to (as a signatory of the Prompt Payment Code) so as not to adversely affect supplier cash flows and ability to trade.

In making decisions and internal process improvements, consideration is given to the potential impact of proposed changes upon suppliers and other business partners, as well as the importance of maintaining the group's integrity, brand and reputation.

Community and environment

The directors recognise the importance of continuing to lead the group in such a way that it contributes to wider society.

The group plays an active part in supporting and strengthening the local communities in which we operate. Through the D.J. Sidebottom / Glasdon Charitable Programme, made up of a board of programme managers who are all passionate about social responsibility and giving back to the community, we aim to support charities, organisations and community groups in various worthwhile endeavours both locally and globally. The charitable causes we support are for the benefit or advancement of the environment, relief for those in need by reason of youth, age, ill health disability or financial hardship, as well as local community development and the advancement of health and life saving research.

As part of the board's commitment to Corporate Social Responsibility, we also offer all staff members the opportunity to have one day paid leave per year where they can undertake volunteer work for a local charity. These "away days" ensure our staff are able to experience volunteering for various local projects they are passionate about and help support the local community.

Sustainability and environmental care are firmly embedded in the group's culture and corporate strategy. Sustainability runs through all aspects of our business, from energy-saving, recycling and resource-sharing policies in our premises, employee orientation and social commitment, and ultimately flowing into the products we provide to our customers.

GLASDON GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

As a group with a commitment to continuously improving our environmental performance, the directors have pledged to reach Net Zero by 2035 (with Scope 1 and 2 to be achieved by 2025).

The group aims to demonstrate environmental sustainability and champion social responsibility in every way possible. A passion for the environment and our local and wider communities has inspired us to integrate sustainable and ethical practices into our day-to-day activities, something which we are continually assessing and improving.

The group has invested considerable resources over the years into understanding our impact on the environment, and we will continue to invest in and improve our environmental accountability for all aspects of our business. A board level project team has been established to map out a clear route of how to get there, as well as dedicated project teams to include employees from across the group.

The group's pledge to reach Net Zero by 2035 is an enormous step towards sustainability, but we also understand that we have a role to play in addressing wider global needs including health, social protection, education, job opportunities and environmental protection. The group has therefore responded to the United Nations' (UN) call for action by aligning with the Sustainable Development Goals (SDGs).

While the group may fit into most (if not all) of the 17 UN SDGs, we have identified the following four key goals on which we know we can have a direct and positive impact:

- 8 Decent Work and Economic Growth
- 10 Reduced Inequalities
- 12 Responsible Consumption and Production
- 13 Climate Action

We are currently working on a plan of action to identify how we are already supporting each goal, as well as the steps we can take internally and with our suppliers, distributors, employees and customers to help further this impact.

Culture and values

The group's culture is characterised by clear responsibility, mutual respect and trust. Lawful business conduct and fair competition are integral to our business activities and an important condition for maintaining a reputation for the highest standards of business conduct securing long term success.

The group is focused on people, with both customers and suppliers being at the heart of our business. The group embraces diversity, flexibility, sustainability and continuous improvement throughout the organisation. The group has a customer centric philosophy with transparent, fair and simple processes.

The board and senior management have taken active steps to drive cultural change and to ensure corporate strategy and customer orientation principles are embraced across the organisation and to ensure that decisions are taken in line with the group's values and objectives.

The fundamental principle in the governance of the group is the clear, fair and trusting approach to all interactions with employees, customers and suppliers; this is reflected in the length of service of our employees and management teams and the longevity of the relationships with our customers and suppliers.

GLASDON GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

By order of the board

Mr A C Jackson
Secretary

24 May 2022

GLASDON GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2021

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

Principal activities

Glasdon Group Limited and its subsidiaries are engaged in the design, manufacture and marketing of award winning environmental, litter and waste collection/recycling and road and water safety products as well as a diverse range of building systems, industrial housing and passenger and cycle shelters.

A review of the business has been provided in the strategic report set out on pages 1 - 8.

Results and dividends

The results for the year are set out on page 15.

Particulars of dividends paid are detailed in note 12 to the financial statements.

Directors

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

Mr D J Sidebottom MBE
Mr P A Greenwood
Mr A C Jackson
Mr J J W Hodgson
Mr A M Steen
Mrs J Kavanagh
Mr M C Cooper

Disabled persons

In line with policy on equal opportunities, the group endeavours to fulfil its responsibilities towards disabled persons. The nature of certain assembly processes within the group does however preclude the employment of disabled persons in such areas. In all other job functions active consideration is given to the employment of disabled persons and all such vacancies are advertised to the appropriate Job Centre to assist in this matter.

Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

The group recognises the importance of employee involvement in increasing employees understanding of the organisation, utilising their talents, enabling them to influence decisions and thereby encouraging commitment to the goals of the organisation.

The group believes that such involvement will improve efficiency, quality, increase job satisfaction and encourage an environment of co-operation.

In recognition of the importance of employee involvement the group has devoted considerable time and effort to ensuring that employees are well informed about those aspects of its business which will affect them.

Through such employee involvement, the success of the group will be ensured by effective team work leading to a consequential sharing of the rewards by all employees.

Auditor

The auditor, MHA Moore and Smalley, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

GLASDON GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect future developments, research & development, financial instruments and streamlined energy and carbon reporting.

Statement of disclosure to auditor

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

Donations

During the year the group made charitable donations of £46,362 (2020: £14,910).

By order of the board

Mr A C Jackson
Secretary

24 May 2022

GLASDON GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2021

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

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

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

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

GLASDON GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GLASDON GROUP LIMITED

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

GLASDON GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GLASDON GROUP LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

Auditor's responsibilities for the audit of the financial statements

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are detailed below:

- Enquiries with management, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing legal and professional expenditure to identify any evidence of ongoing litigation or enquiries.

GLASDON GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GLASDON GROUP LIMITED

Because of the field in which the client operates we identified employment law, the Data Protection Act, health and safety legislation and compliance with the UK Companies Act as the areas most likely to have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognize the non-compliance.

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

Use of our report

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

Paul Williams (Senior Statutory Auditor)
For and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

6 June 2022

GLASDON GROUP LIMITED

**GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2021**

	Notes	2021 £	2020 £
Turnover	3	33,960,482	29,216,769
Cost of sales		(15,286,730)	(13,187,387)
Gross profit		<u>18,673,752</u>	<u>16,029,382</u>
Distribution costs		(3,986,936)	(4,256,389)
Administrative expenses		(9,590,379)	(10,847,527)
Other operating income		644,152	1,742,379
Operating profit	4	<u>5,740,589</u>	<u>2,667,845</u>
Interest receivable and similar income	8	3,142	40,278
Interest payable and similar expenses	9	(41,212)	(117,000)
Investment gains and losses	10	4,670,387	471,989
Profit before taxation		<u>10,372,906</u>	<u>3,063,112</u>
Tax on profit	11	(2,193,903)	(605,993)
Profit for the financial year	25	<u><u>8,179,003</u></u>	<u><u>2,457,119</u></u>

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

The profit and loss account has been prepared on the basis that all operations are continuing operations.

GLASDON GROUP LIMITED**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2021**

	2021	2020
	£	£
Profit for the year	8,179,003	2,457,119
Other comprehensive income		
Revaluation of tangible fixed assets	(72,943)	(71,000)
Actuarial gain on defined benefit pension schemes	2,558,000	3,798,000
Currency translation differences	(78,458)	49,980
Tax relating to other comprehensive income	(611,038)	(628,276)
Other comprehensive income for the year	1,795,561	3,148,704
Total comprehensive income for the year	9,974,564	5,605,823

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

GLASDON GROUP LIMITED

GROUP BALANCE SHEET

AS AT 31 OCTOBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	13	46,912		109,107	
Tangible assets	14	15,570,935		15,949,471	
Investments	16	41,709,928		31,038,928	
		<u>57,327,775</u>		<u>47,097,506</u>	
Current assets					
Stocks	19	6,311,948		6,014,803	
Debtors - deferred tax	22	-		342,760	
Debtors - other	20	6,042,967		5,267,845	
Cash at bank and in hand		5,872,987		6,869,996	
		<u>18,227,902</u>		<u>18,495,404</u>	
Creditors: amounts falling due within one year	21	<u>(4,700,164)</u>		<u>(3,878,918)</u>	
Net current assets		<u>13,527,738</u>		<u>14,616,486</u>	
Total assets less current liabilities		<u>70,855,513</u>		<u>61,713,992</u>	
Provisions for liabilities					
Deferred tax liability	22	<u>1,823,307</u>		<u>640,250</u>	
		<u>(1,823,307)</u>		<u>(640,250)</u>	
Net assets excluding pension liability		<u>69,032,206</u>		<u>61,073,742</u>	
Defined benefit pension liability	23	<u>-</u>		<u>(1,804,000)</u>	
Net assets		<u><u>69,032,206</u></u>		<u><u>59,269,742</u></u>	
Capital and reserves					
Called up share capital	24	2,234,218		2,234,218	
Share premium account	25	54,108		54,108	
Revaluation reserve	25	5,343,898		5,462,599	
Other reserves	25	8,480		8,480	
Profit and loss reserves	25	61,391,502		51,510,337	
Total equity		<u><u>69,032,206</u></u>		<u><u>59,269,742</u></u>	

GLASDON GROUP LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 OCTOBER 2021

The financial statements were approved by the board of directors and authorised for issue on 24 May 2022 and are signed on its behalf by:

Mr D J Sidebottom MBE
Director

GLASDON GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 31 OCTOBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	13	27,061		52,406	
Tangible assets	14	1,912,628		1,840,303	
Investment properties	15	12,624,100		12,629,000	
Investments	16	41,725,075		31,054,075	
		<u>56,288,864</u>		<u>45,575,784</u>	
Current assets					
Debtors - deferred tax	22	-		342,760	
Debtors - other	20	797,985		762,195	
Cash at bank and in hand		1,731,368		1,587,814	
		<u>2,529,353</u>		<u>2,692,769</u>	
Creditors: amounts falling due within one year	21	<u>(667,718)</u>		<u>(508,117)</u>	
Net current assets			1,861,635		2,184,652
Total assets less current liabilities			<u>58,150,499</u>		<u>47,760,436</u>
Provisions for liabilities					
Deferred tax liability	22	1,901,622		673,357	
		<u>(1,901,622)</u>		<u>(673,357)</u>	
Net assets excluding pension liability			56,248,877		47,087,079
Defined benefit pension liability	23		-		(1,804,000)
Net assets			<u>56,248,877</u>		<u>45,283,079</u>
Capital and reserves					
Called up share capital	24	2,234,218		2,234,218	
Share premium account	25	54,108		54,108	
Revaluation reserve	25	85,220		116,517	
Profit and loss reserves	25	53,875,331		42,878,236	
Total equity			<u>56,248,877</u>		<u>45,283,079</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £9,216,474 (2020 - £1,220,582 profit).

GLASDON GROUP LIMITED

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 OCTOBER 2021

The financial statements were approved by the board of directors and authorised for issue on 24 May 2022 and are signed on its behalf by:

Mr D J Sidebottom MBE
Director

Company Registration No. 02161331

GLASDON GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2021

	Share capital	Share premium account	Revaluation reserve	Other reserves	Profit and loss	Total
Notes	£	£	£	£	£	£
Balance at 1 November 2019	2,234,218	54,108	5,540,955	8,480	46,037,759	53,875,520
Year ended 31 October 2020:						
Profit for the year	-	-	-	-	2,457,119	2,457,119
Other comprehensive income:						
Revaluation of tangible fixed assets	-	-	(71,000)	-	-	(71,000)
Actuarial gains on defined benefit plans	-	-	-	-	3,798,000	3,798,000
Currency translation differences	-	-	-	-	49,980	49,980
Tax relating to other comprehensive income	-	-	(7,356)	-	(620,920)	(628,276)
Total comprehensive income for the year	-	-	(78,356)	-	5,684,179	5,605,823
Dividends	-	-	-	-	(211,601)	(211,601)
Balance at 31 October 2020	2,234,218	54,108	5,462,599	8,480	51,510,337	59,269,742

GLASDON GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

	Share capital	Share premium account	Revaluation reserve	Other reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£	£
Year ended 31 October 2021:						
Profit for the year	-	-	-	-	8,179,003	8,179,003
Other comprehensive income:						
Revaluation of tangible fixed assets	-	-	(72,943)	-	-	(72,943)
Actuarial gains on defined benefit plans	-	-	-	-	2,558,000	2,558,000
Currency translation differences	-	-	-	-	(78,458)	(78,458)
Tax relating to other comprehensive income	-	-	(45,758)	-	(565,280)	(611,038)
Total comprehensive income for the year	-	-	(118,701)	-	10,093,265	9,974,564
Dividends	12	-	-	-	(212,100)	(212,100)
Balance at 31 October 2021	2,234,218	54,108	5,343,898	8,480	61,391,502	69,032,206

GLASDON GROUP LIMITED

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

	Notes	Share capital £	Share premium account £	Revaluation reserves £	Profit and loss reserves £	Total £
Balance at 1 November 2019		2,234,218	54,108	104,268	38,692,176	41,084,770
Year ended 31 October 2020:						
Profit for the year		-	-	-	1,220,582	1,220,582
Other comprehensive income:						
Actuarial gains on defined benefit plans		-	-	-	3,798,000	3,798,000
Tax relating to other comprehensive income		-	-	12,249	(620,920)	(608,671)
Total comprehensive income for the year		-	-	12,249	4,397,662	4,409,911
Dividends	12	-	-	-	(211,602)	(211,602)
Balance at 31 October 2020		2,234,218	54,108	116,517	42,878,236	45,283,079
Year ended 31 October 2021:						
Profit for the year		-	-	-	9,216,475	9,216,475
Other comprehensive income:						
Revaluation of tangible fixed assets		-	-	(68,043)	-	(68,043)
Actuarial gains on defined benefit plans		-	-	-	2,558,000	2,558,000
Tax relating to other comprehensive income		-	-	36,746	(565,280)	(528,534)
Total comprehensive income for the year		-	-	(31,297)	11,209,195	11,177,898
Dividends	12	-	-	-	(212,100)	(212,100)
Balance at 31 October 2021		2,234,218	54,108	85,220	53,875,331	56,248,877

GLASDON GROUP LIMITED

**GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2021**

		2021	2020
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	30	7,038,830	5,072,660
Interest paid		(212)	-
Income taxes paid		(1,499,980)	(36,376)
Net cash inflow from operating activities		5,538,638	5,036,284
Investing activities			
Purchase of intangible assets		-	(6,570)
Purchase of tangible fixed assets		(358,286)	(753,735)
Proceeds on disposal of tangible fixed assets		110,668	85,585
Purchase of investments		(6,000,000)	(496,581)
Interest received		2,529	3,136
Net cash used in investing activities		(6,245,089)	(1,168,165)
Financing activities			
Dividends paid to equity shareholders		(212,100)	(211,602)
Net cash used in financing activities		(212,100)	(211,602)
Net (decrease)/increase in cash and cash equivalents		(918,551)	3,656,517
Cash and cash equivalents at beginning of year		6,869,996	3,163,499
Effect of foreign exchange rates		(78,458)	49,980
Cash and cash equivalents at end of year		5,872,987	6,869,996

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

Company information

Glasdon Group Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Glasdon House, Preston New Road, Blackpool, FY4 4WA.

The group consists of Glasdon Group Limited and all of its subsidiaries as detailed in note 17.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £. For consolidation purposes, balances relating to the overseas subsidiaries have been translated to £.

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

The parent company is a qualifying entity for the purposes of FRS 102, being a member of a group where consolidated financial statements are prepared, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The parent company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The consolidated financial statements incorporate those of Glasdon Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

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

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

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

1.2 Going concern

At the time of approving the financial statements, the directors have considered the group and company's financial position and performance. The board are continuing to monitor developments and all emerging risks regarding the impact of COVID-19. Whilst there is the potential for an adverse financial impact, the directors believe the group is in a strong financial position, with over £47m of cash and liquid investment resources, and no external financing, as at 31 October 2021.

Therefore the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

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

Turnover is recognised at the point at which the goods or services have been delivered or supplied and the risks and rewards attaching to the product or service have been transferred to the customer. Rental income and management charges are recognised on an accruals basis.

1.4 Research and development expenditure

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

1.5 Intangible fixed assets other than goodwill

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

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

Software	20% straight line
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1.6 Tangible fixed assets

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

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

Freehold property	No depreciation
Tooling	20% straight line
Plant and machinery	4% - 20% straight line
Fixtures, fittings & equipment	20% straight line
Motor vehicles	25% straight line

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

Freehold land is not depreciated. Depreciation has not been charged on freehold buildings as the directors consider the estimated residual value of the property to be a significant proportion of the book value, such that the depreciation would be immaterial. The estimated residual value is expected to be high due to the company's policy of maintaining the property such that physical deterioration does not occur and the costs of such maintenance are charged in the year of incidence.

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

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historic cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss account.

1.7 Investment properties

The company owns various properties that are used by the group and company. For the purpose of the company's financial statements, properties that are used wholly for the company's business are included in the company's financial statements as tangible fixed assets and properties used by subsidiaries are classified as investment properties. For the purpose of the group financial statements all properties are classified as tangible fixed assets.

In the company's financial statements, investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

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

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

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

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in or .

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

1.10 Stocks

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

Raw materials are valued at the cost of purchase on a first in, first out basis. Finished goods are valued at the cost of raw materials.

Net realisable value is based on estimated selling price less additional costs to completion and disposal.

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

1.11 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.12 Financial instruments

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

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

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

Basic financial assets

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

Other financial assets

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

Impairment of financial assets

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

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

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Other financial liabilities

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

Derecognition of financial liabilities

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

1.13 Equity instruments

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

1.14 Taxation

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

Current tax

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

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

Deferred tax

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

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

1.15 Employee benefits

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

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

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

1.16 Retirement benefits

Defined contribution scheme

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

Defined benefit scheme

The group also operates a defined benefit pension scheme. The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

1.17 Leases

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.18 Government grants

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

1.19 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of stock

At the end of the reporting period, management undertake an assessment of stock, based upon their knowledge of the market and the movement of each stock item. Where necessary, an impairment is recognised in the profit and loss account.

The actual net realisable value may differ from the estimated level of recovery.

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Assumptions used in the calculation of the defined benefit pension scheme liability

In order to adhere to the criteria of FRS 102, Section 28 'Employee benefits', the group uses the services of an independent external actuary to deliver the calculation of the defined benefit scheme deficit as at the reporting date.

The valuation is dependant upon, and highly sensitive to, a number of key actuarial assumptions including the life expectancy, discount rate, price inflation rate, and deferred pension increase rate. Further details of the actuarial assumptions used in respect of the 2018 valuation are provided in note 23.

Useful life of tooling fixed assets

The useful economic life and expected residual value of tooling is assessed at the point of purchase based on expected future revenues generated by holding the tooling equipment. This is reviewed at the end of the reporting period, to determine whether the estimates are still appropriate.

Valuation of investment property (parent company)

As described in note 15 to the financial statements, investment properties are stated at fair value based on the valuation performed by the directors at 31 October 2021. This has been calculated by reference to the purchase price paid, independent valuations since the purchase date and current market yields.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2021 £	2020 £
Other significant revenue		
Grants received	503,000	1,602,166
	<u>503,000</u>	<u>1,602,166</u>
	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	23,869,803	19,263,597
Overseas	10,090,679	9,953,172
	<u>33,960,482</u>	<u>29,216,769</u>

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	110,828	(31,268)
Research and development costs	637,672	504,806
Government grants	(503,000)	(1,602,166)
Depreciation of owned tangible fixed assets	655,541	776,902
Profit on disposal of tangible fixed assets	(102,330)	(80,099)
Amortisation of intangible assets	62,195	72,021
Operating lease charges	159,176	162,299
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	9,050	7,895
Audit of the financial statements of the company's subsidiaries	18,050	16,920
	<u> </u>	<u> </u>
	27,100	24,815
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	5,500	6,285
Other taxation services	2,925	3,942
All other non-audit services	53,540	45,892
	<u> </u>	<u> </u>
	61,965	56,119
	<u> </u>	<u> </u>
For services in respect of associated pension schemes		
Audit	2,300	2,100
	<u> </u>	<u> </u>

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

6 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Office and management	76	93	22	26
Manufacturing, assembly and distribution	97	101	-	-
Sales and marketing	76	108	14	20
Product design / research and development	18	19	18	19
Directors	8	8	7	7
Total	275	329	61	72

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	7,402,459	8,409,775	2,574,134	2,779,376
Social security costs	738,755	796,171	305,665	308,274
Pension costs	1,555,425	1,494,097	1,045,024	908,453
	9,696,639	10,700,043	3,924,823	3,996,103
Termination benefits	-	378,638	-	-

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	698,369	715,679

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2020 - 3).

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 5 (2020 - 5).

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

7 Directors' remuneration

(Continued)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	155,405	156,231

8 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Other interest income	2,529	3,136
Other income from investments		
Dividends received	613	37,142
Total income	3,142	40,278

Investment income includes the following:

Dividends from financial assets measured at fair value through profit or loss	613	37,142
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9 Interest payable and similar expenses

	2021 £	2020 £
Other finance costs:		
Net interest on the net defined benefit liability	41,000	117,000
Other interest	212	-
Total finance costs	41,212	117,000

10 Amounts written off investments

	2021 £	2020 £
Fair value gains/(losses) on financial instruments		
Change in value of financial assets held at fair value through profit or loss	3,969,216	1,017,409
Other gains/(losses)		
Gain/(loss) on disposal of fixed asset investments	701,171	(545,420)
	4,670,387	471,989

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

11 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	1,018,161	384,341
Adjustments in respect of prior periods	-	11,132
Total UK current tax	1,018,161	395,473
Foreign current tax on profits for the current period	260,963	308,315
Total current tax	1,279,124	703,788
Deferred tax		
Origination and reversal of timing differences	596,072	(154,446)
Changes in tax rates	311,645	56,651
Adjustment in respect of prior periods	7,062	-
Total deferred tax	914,779	(97,795)
Total tax charge	2,193,903	605,993

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

	2021 £	2020 £
Profit before taxation	10,372,906	3,063,112
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	1,970,852	581,991
Tax effect of expenses that are not deductible in determining taxable profit	13,743	10,861
Tax effect of income not taxable in determining taxable profit	(17,404)	(15,555)
Change in unrecognised deferred tax assets	2,628	(4,951)
Adjustments in respect of prior years	-	11,132
Research and development tax credit	(157,505)	(125,637)
Effect of revaluations of investments	(6,809)	(21,997)
Other non-reversing timing differences	(6,245)	-
Effect of overseas tax rates	85,245	113,498
Deferred tax adjustments in respect of prior years	7,062	-
Effect of change in deferred tax rate	311,645	56,651
Other tax adjustments	170	-
Super-deduction	(9,479)	-
Taxation charge	2,193,903	605,993

GLASDON GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 OCTOBER 2021****11 Taxation****(Continued)**

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2021	2020
	£	£
Deferred tax arising on:		
Revaluation of property	45,758	7,356
Actuarial differences recognised as other comprehensive income	565,280	620,920
	<u>611,038</u>	<u>628,276</u>

Factors affecting future tax and charges

In the March 2021 budget the Chancellor confirmed an increase in the main rate of corporation tax from 19% to 25% with effect from 1 April 2023. The Finance Bill 2021 had its third reading on 24 May 2021 and was considered substantively enacted on this date. The deferred tax timing differences expected to reverse on or after 1 April 2023 have therefore been accounted for at 25%.

12 Dividends

	2021	2020
	£	£
Recognised as distributions to equity holders:		
Final paid	212,100	211,602
	<u>212,100</u>	<u>211,602</u>

13 Intangible fixed assets

Group	Software
	£
Cost	
At 1 November 2020	433,314
Disposals	(31,397)
At 31 October 2021	<u>401,917</u>
Amortisation and impairment	
At 1 November 2020	324,207
Amortisation charged for the year	62,195
Disposals	(31,397)
At 31 October 2021	<u>355,005</u>
Carrying amount	
At 31 October 2021	<u>46,912</u>
At 31 October 2020	<u>109,107</u>

GLASDON GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2021**

13	Intangible fixed assets	(Continued)
	Company	Software £
	Cost	
	At 1 November 2020	196,390
	Disposals	(31,397)
		<hr/>
	At 31 October 2021	164,993
		<hr/>
	Amortisation and impairment	
	At 1 November 2020	143,984
	Amortisation charged for the year	25,345
	Disposals	(31,397)
		<hr/>
	At 31 October 2021	137,932
		<hr/>
	Carrying amount	
	At 31 October 2021	27,061
		<hr/>
	At 31 October 2020	52,406
		<hr/>

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2021

14 Tangible fixed assets

Group	Freehold property	Tooling	Plant and fixtures, fittings & machinery	Motor vehicles	Total	
	£	£	£	£	£	
Cost or valuation						
At 1 November 2020	14,317,000	8,219,481	1,738,064	848,951	1,073,407	26,196,903
Additions	68,043	42,638	9,441	107,807	130,357	358,286
Disposals	-	(36,938)	(7,086)	(77,131)	(307,663)	(428,818)
Revaluation	(72,943)	-	-	-	-	(72,943)
At 31 October 2021	14,312,100	8,225,181	1,740,419	879,627	896,101	26,053,428
Depreciation and impairment						
At 1 November 2020	-	7,673,975	1,319,939	621,804	631,714	10,247,432
Depreciation charged in the year	-	315,123	69,921	83,732	186,765	655,541
Eliminated in respect of disposals	-	(36,938)	(7,252)	(75,232)	(301,058)	(420,480)
At 31 October 2021	-	7,952,160	1,382,608	630,304	517,421	10,482,493
Carrying amount						
At 31 October 2021	14,312,100	273,021	357,811	249,323	378,680	15,570,935
At 31 October 2020	14,317,000	545,506	418,125	227,147	441,693	15,949,471

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

14 Tangible fixed assets

(Continued)

Company	Freehold property	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 November 2020	1,688,000	33,340	193,487	263,710	2,178,537
Additions	68,043	1,314	76,897	78,955	225,209
Disposals	-	-	(11,119)	(77,137)	(88,256)
Revaluation	(68,043)	-	-	-	(68,043)
Transfers	-	-	2,997	-	2,997
At 31 October 2021	1,688,000	34,654	262,262	265,528	2,250,444
Depreciation and impairment					
At 1 November 2020	-	7,980	165,927	164,327	338,234
Depreciation charged in the year	-	1,747	32,207	51,867	85,821
Eliminated in respect of disposals	-	-	(11,037)	(77,137)	(88,174)
Transfers	-	-	1,935	-	1,935
At 31 October 2021	-	9,727	189,032	139,057	337,816
Carrying amount					
At 31 October 2021	1,688,000	24,927	73,230	126,471	1,912,628
At 31 October 2020	1,688,000	25,360	27,560	99,383	1,840,303

The carrying value of land and buildings comprises:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Freehold	14,312,100	14,317,000	1,688,000	1,688,000

The company's land and buildings were revalued on 31 October 2018 by R Pinkus & Co Commercial Property Surveyors & Valuers, on an open market value basis for current use in accordance with RICS Appraisal and Valuation Manual.

The group net book value includes land of £1,140,094 (2020: £1,140,094) which is not depreciated. The company net book value includes land of £123,172 (2020: £123,172) which is not depreciated.

Land and buildings are carried at valuation. If land and buildings were measured using the cost model, the carrying amounts for the group would have been approximately £8,773,663 (2020: £8,705,620), being cost of £11,538,319 (2020: £11,470,276) and depreciation of £2,764,656 (2020: £2,764,656). The carrying amounts for the company would have been approximately £1,755,888 (2020: £1,687,845), being cost of £2,337,370 (2020: £2,269,327) and depreciation of £581,482 (2020: £581,482).

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

15 Investment property

	Group 2021 £	Company 2021 £
Fair value		
At 1 November 2020	-	12,629,000
Net gains or losses through fair value adjustments	-	(4,900)
	<hr/>	<hr/>
At 31 October 2021	-	12,624,100
	<hr/>	<hr/>

Investment property comprises land and buildings that are rented to group companies. The fair value of the investment properties at 31 October 2021 has been determined by the directors with reference to the original purchase price paid, independent valuations since the purchase date and current market yields. The properties were last independently valued at 1 November 2018 by Robert Pinkus & Co Chartered Surveyors.

16 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	17	2	2	15,149	15,149
Listed investments		41,709,926	31,038,926	41,709,926	31,038,926
		<hr/>	<hr/>	<hr/>	<hr/>
		41,709,928	31,038,928	41,725,075	31,054,075
		<hr/>	<hr/>	<hr/>	<hr/>
Listed investments included above:					
Listed investments carrying amount		41,709,926	31,038,926	41,709,926	31,038,926
		<hr/>	<hr/>	<hr/>	<hr/>

Movements in fixed asset investments

Group	Shares in subsidiaries £	Other investments £	Total £
Cost or valuation			
At 1 November 2020	2	31,038,926	31,038,928
Additions	-	10,558,650	10,558,650
Valuation changes	-	3,969,216	3,969,216
Disposals	-	(3,856,866)	(3,856,866)
	<hr/>	<hr/>	<hr/>
At 31 October 2021	2	41,709,926	41,709,928
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 October 2021	2	41,709,926	41,709,928
	<hr/>	<hr/>	<hr/>
At 31 October 2020	2	31,038,926	31,038,928
	<hr/>	<hr/>	<hr/>

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

16 Fixed asset investments (Continued)

Movements in fixed asset investments Company	Shares in subsidiaries £	Other investments £	Total £
Cost or valuation			
At 1 November 2020	15,149	31,038,926	31,054,075
Additions	-	10,558,650	10,558,650
Valuation changes	-	3,969,216	3,969,216
Disposals	-	(3,856,866)	(3,856,866)
At 31 October 2021	15,149	41,709,926	41,725,075
Carrying amount			
At 31 October 2021	15,149	41,709,926	41,725,075
At 31 October 2020	15,149	31,038,926	31,054,075

17 Subsidiaries

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

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct
Glasdon (UK) Limited	1	Manufacturer of environmental products, safety products and building systems	Ordinary	100
Glasdon International Limited	1	Export of group products	Ordinary	100
Glasdon Europe Sarl	2	Distributor of environmental products, safety products and building systems	Ordinary	100
Glasdon Europe AB	3	Distributor of environmental products, safety products and building systems	Ordinary	100
Glasdon, Inc.	4	Environmental and safety products manufacturer	Ordinary	100
Glasdon Limited	1	Dormant	Ordinary	100
Glasdon Designs Limited	1	Dormant	Ordinary	100
Glasdon Manufacturing Limited	1	Dormant	Ordinary	100
The Glasdon Share Scheme Limited	1	Dormant	Ordinary	100
Glasdon Environmental Inc.	5	Dormant	Ordinary	100

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

17 Subsidiaries

(Continued)

Registered Office addresses:

- 1 Glasdon House, Preston New Road, Blackpool, FY4 4WA, UK
- 2 2 Rue des Verts Près, 59702 Marcq en Baroeul, France
- 3 Servando Bolag AB, Box 5814, 102 48 Stockholm, Sweden
- 4 Airport Center 1, 5200 Anthony Road, Sandston, Virginia 23150, USA
- 5 1 Germain Street, Suite 1500, Saint John, New Brunswick, E2L 4V1, Canada

18 Financial instruments

	Group 2021 £	2020 £	Company 2021 £	2020 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	5,114,524	4,434,076	n/a	n/a
Instruments measured at fair value through profit or loss	41,709,926	31,038,926	n/a	n/a
Carrying amount of financial liabilities				
Measured at amortised cost	3,482,325	2,778,366	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

The financial assets measured at fair value represent the listed investments. These are funds invested into an actively managed investment portfolio as part of the group's strategy to generate returns separate from the trading activity of the group. The fair value of these investments is the market value, as provided by the investment managers.

19 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Finished goods and components	6,311,948	6,014,803	-	-

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

20 Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	4,801,589	4,277,001	-	-
Corporation tax recoverable	206,177	30,681	206,038	30,681
Amounts owed by group undertakings	-	-	312,249	415,243
Other debtors	266,111	161,472	166,048	140,876
Prepayments and accrued income	694,090	798,691	113,650	175,395
	<u>5,967,967</u>	<u>5,267,845</u>	<u>797,985</u>	<u>762,195</u>
	<u><u>5,967,967</u></u>	<u><u>5,267,845</u></u>	<u><u>797,985</u></u>	<u><u>762,195</u></u>
Amounts falling due after more than one year:				
Other debtors	75,000	-	-	-
Deferred tax asset (note 22)	-	342,760	-	342,760
	<u>75,000</u>	<u>342,760</u>	<u>-</u>	<u>342,760</u>
	<u><u>75,000</u></u>	<u><u>342,760</u></u>	<u><u>-</u></u>	<u><u>342,760</u></u>
Total debtors	<u><u>6,042,967</u></u>	<u><u>5,610,605</u></u>	<u><u>797,985</u></u>	<u><u>1,104,955</u></u>

21 Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	2,761,660	2,046,211	81,577	105,798
Amounts owed to group undertakings	-	-	379,501	7,151
Corporation tax payable	436,328	481,689	-	221,582
Other taxation and social security	781,511	618,863	137,345	61,149
Other creditors	77,113	94,436	9,683	18,334
Accruals and deferred income	643,552	637,719	59,612	94,103
	<u>4,700,164</u>	<u>3,878,918</u>	<u>667,718</u>	<u>508,117</u>
	<u><u>4,700,164</u></u>	<u><u>3,878,918</u></u>	<u><u>667,718</u></u>	<u><u>508,117</u></u>

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

22 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Group				
Accelerated capital allowances	49,323	37,635	-	-
Revaluations	194,540	148,780	-	-
Retirement benefit obligations	-	-	-	342,760
Other timing differences	1,579,444	453,835	-	-
	<u>1,823,307</u>	<u>640,250</u>	<u>-</u>	<u>342,760</u>
	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Company				
Accelerated capital allowances	127,607	70,742	-	-
Revaluations	194,540	148,780	-	-
Retirement benefit obligations	-	-	-	342,760
Other timing differences	1,579,475	453,835	-	-
	<u>1,901,622</u>	<u>673,357</u>	<u>-</u>	<u>342,760</u>
			Group 2021 £	Company 2021 £
Movements in the year:				
Liability at 1 November 2020			297,490	330,597
Charge to profit or loss			596,072	628,616
Charge to other comprehensive income			611,038	528,534
Effect of change in tax rate - profit or loss			311,645	413,875
Other			7,062	-
			<u>1,823,307</u>	<u>1,901,622</u>
Liability at 31 October 2021				

It is impractical to estimate the movement of the deferred tax asset relating to retirement obligations in the 12 months following the balance sheet date, due to the estimation uncertainty over the related obligations, which can only be assessed following the next balance sheet date. This is also true of the deferred tax provision in respect of properties carried at valuation. Furthermore as at the signing date of these financial statements, as the company has not finalised its capital expenditure programme for 2021/22, an assessment as to the likely movement of other related timing differences cannot be made.

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

23 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	44,982	58,208

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

Defined benefit schemes

The company operates a defined benefit pension scheme in the UK, the Glasdon Group Limited Retirement Benefits Scheme. The scheme is available to employees of Glasdon Group Limited and its subsidiaries, Glasdon (UK) Limited and Glasdon International Limited. Within the scheme there were three sub-schemes, 'Scheme 60', 'Scheme 80' and 'Scheme 100'. The difference between these sub-schemes is the required level of employee and employer contributions, together with the level of benefits.

As the sponsoring employer, the defined benefit pension scheme is accounted for within the financial statements of Glasdon Group Limited.

Valuation

A triennial valuation of the scheme as at 31 October 2018 was undertaken by Broadstone Consulting Actuaries Limited, independent qualified actuaries, which showed a funding surplus of £1,829,000.

Funding policy

The funding policy is to commission the Scheme Actuary to review whether or not the Trustees' funding objective is being met and, if necessary, the Trustees will agree a recovery plan with the employer.

In the next financial year the company expects to contribute 17.3% of total pensionable salaries for Scheme 60 and Scheme 80; and 13% for Scheme 100.

Key assumptions	2021	2020
	%	%
Discount rate	2.00	1.90
Expected rate of increase of pensions in payment	2.25 - 3.55	1.95 - 3.50
Expected rate of salary increases	3.30	2.90
Rate of future inflation - RPI	3.20	2.80
Rate of future inflation - CPI	2.40	2.00

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

23 Retirement benefit schemes

(Continued)

Mortality assumptions

The mortality table used to calculate life expectation at the current year end was 105% S2PXA CMI 2020 [1.5%]. The assumed life expectations on retirement at age 65 are:

Members not yet retired - Assumed life expectations on retirement at age 65 for members currently aged 50:

- Males	22	23
- Females	24	25

Current pensioners - Assumed life expectancy of a member currently aged 65:

- Males	21	21
- Females	23	23

	2021 £	2020 £
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Current service cost	1,368,000	1,291,000
Net interest on defined benefit liability/(asset)	41,000	117,000
Other costs and income	134,000	142,000
Total costs	1,543,000	1,550,000

	2021 £	2020 £
--	-----------	-----------

Actual return on scheme assets	(12,823,000)	(5,973,000)
Less: calculated interest element	1,093,000	1,152,000
Return on scheme assets excluding interest income	(11,730,000)	(4,821,000)
Actuarial changes related to obligations	3,005,000	1,023,000
Effect of changes in the amount of surplus that is not recoverable	6,167,000	-
Total costs/(income)	(2,558,000)	(3,798,000)

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

23 Retirement benefit schemes

(Continued)

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Present value of defined benefit obligations	64,300,000	59,200,000	64,300,000	59,200,000
Fair value of plan assets	(70,467,000)	(57,396,000)	(70,467,000)	(57,396,000)
Deficit in scheme	(6,167,000)	1,804,000	(6,167,000)	1,804,000
Restriction on scheme assets	6,167,000	-	6,167,000	-
Total liability recognised	-	1,804,000	-	1,804,000
			Group 2021 £	Company 2021 £
<i>Movements in the present value of defined benefit obligations</i>				
Liabilities at 1 November 2020			59,200,000	59,200,000
Current service cost			1,368,000	1,368,000
Benefits paid			(810,000)	(810,000)
Contributions from scheme members			403,000	403,000
Actuarial gains and losses			3,005,000	3,005,000
Interest cost			1,134,000	1,134,000
At 31 October 2021			64,300,000	64,300,000

The defined benefit obligations arise from plans which are wholly or partly funded.

	Group 2021 £	Company 2021 £
<i>Movements in the fair value of plan assets</i>		
Fair value of assets at 1 November 2020	57,396,000	57,396,000
Interest income	1,093,000	1,093,000
Return on plan assets (excluding amounts included in net interest)	11,730,000	11,730,000
Benefits paid	(810,000)	(810,000)
Contributions by the employer	789,000	789,000
Contributions by scheme members	403,000	403,000
Other	(134,000)	(134,000)
At 31 October 2021	70,467,000	70,467,000

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

23 Retirement benefit schemes

(Continued)

	Group 2021 £	2020 £	Company 2021 £	2020 £
Equity instruments	25,820,000	18,938,000	25,820,000	18,938,000
Cash	225,000	369,000	225,000	369,000
Diversified Growth Fund	44,422,000	38,089,000	44,422,000	38,089,000
	<u>70,467,000</u>	<u>57,396,000</u>	<u>70,467,000</u>	<u>57,396,000</u>

The scheme assets do not include ordinary shares issued, nor property occupied, by the sponsoring employer.

24 Share capital

	Group and company	
	2021 £	2020 £
Ordinary share capital		
Issued and fully paid		
6,015,756 Ordinary shares of £0.25 each	1,503,939	1,503,939
182,569 Ordinary 'A' shares of £0.25 each	45,642	45,642
182,569 Ordinary 'B' shares of £0.25 each	45,642	45,642
182,569 Ordinary 'C' shares of £0.25 each	45,642	45,642
182,569 Ordinary 'D' shares of £0.25 each	45,642	45,642
182,569 Ordinary 'E' shares of £0.25 each	45,642	45,642
182,569 Ordinary 'F' shares of £0.25 each	45,642	45,642
182,569 Ordinary 'G' shares of £0.25 each	45,642	45,642
182,569 Ordinary 'H' shares of £0.25 each	45,642	45,642
182,569 Ordinary 'I' shares of £0.25 each	45,642	45,642
182,569 Ordinary 'J' shares of £0.25 each	45,642	45,642
182,569 Ordinary 'K' shares of £0.25 each	45,642	45,642
182,569 Ordinary 'L' shares of £0.25 each	45,642	45,642
182,572 Ordinary 'M' shares of £0.25 each	45,643	45,643
182,572 Ordinary 'N' shares of £0.25 each	45,643	45,643
182,572 Ordinary 'O' shares of £0.25 each	45,643	45,643
182,572 Ordinary 'P' shares of £0.25 each	45,643	45,643
	<u>2,234,218</u>	<u>2,234,218</u>

A detailed analysis of the rights attaching to each share is detailed in the company's Articles of Association. All classes of shares rank pari passu in all respects but shall constitute separate classes of shares.

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

25 Reserves

Profit and loss reserves

Group

Included within the group profit and loss account reserve at 31 October 2021 is £4,965,348 (2020: £2,161,328) in respect of unrealised gains on listed investments which are non-distributable.

Company

Included within the company profit and loss account reserve at 31 October 2021 is £10,223,870 (2020: £7,507,254) in respect of unrealised gains on listed investments and investment properties which are non-distributable.

26 Financial commitments, guarantees and contingent liabilities

Group

The group has a bond in place with HM Revenue & Customs which at 31 October 2021 amounted to £12,000 (2020: £12,000).

Company

The company has guaranteed the bank borrowings of other group companies which at 31 October 2021 amounted to £nil (2020: £nil). At October 2021 the 'banking group' as a whole was in credit.

The company is registered for VAT under group registration provisions and is therefore jointly and severally liable for the tax owed by the other group companies registered with it. At 31 October 2021 value added tax owed by the other companies registered with it amounted to £443,697 (2020: £413,842).

27 Operating lease commitments

Lessee

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

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	222,920	233,848	-	-
Between two and five years	479,662	681,621	-	-
In over five years	54,195	87,927	-	-
	<u>756,777</u>	<u>1,003,396</u>	<u>-</u>	<u>-</u>

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

28 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Acquisition of tangible fixed assets	256,866	115,477	-	-

29 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Management charges 2021 £	2020 £
Group		
Other related parties	120,000	142,000
Company		
Other related parties	120,000	142,000

The company has taken advantage of the exemption permitted under Section 33.1A from disclosing transactions with its subsidiary companies.

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2021 £	2020 £
Group		
Key management personnel	6,893	8,752
Company		
Key management personnel	6,893	8,752
Amounts due from related parties	2021 Balance £	2020 Balance £
Group		
Other related parties	12,324	12,202

GLASDON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

29 Related party transactions (Continued)

Company		
Other related parties	12,249	12,132

Details of guarantees given in respect of group companies can be found in note 26.

30 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	8,179,003	2,457,119
Adjustments for:		
Taxation charged	2,193,903	605,993
Finance costs	41,212	117,000
Investment income	(3,142)	(40,278)
Gain on disposal of tangible fixed assets	(102,330)	(80,099)
Amortisation and impairment of intangible assets	62,195	72,021
Depreciation and impairment of tangible fixed assets	655,541	776,902
(Gain)/loss on sale of investments	(701,171)	545,420
Investment (gains) and losses	(3,969,216)	(1,017,409)
Pension scheme non-cash movement	713,000	566,000
Movements in working capital:		
(Increase)/decrease in stocks	(297,145)	516,655
(Increase)/decrease in debtors	(599,626)	1,412,730
Increase/(decrease) in creditors	866,606	(859,394)
Cash generated from operations	7,038,830	5,072,660

31 Analysis of changes in net funds - group

	1 November 2020 £	Cash flows £	Exchange rate movements £	31 October 2021 £
Cash at bank and in hand	6,869,996	(918,551)	(78,458)	5,872,987

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.