

Company registration number 00732459 (England and Wales)

THOMAS DUDLEY GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THOMAS DUDLEY GROUP LIMITED

COMPANY INFORMATION

Directors	Mr M J Dudley Mr P J Davies Mr A Powles Mr J Parker
Company number	00732459
Registered office	295 Birmingham New Road Dudley West Midlands DY1 4SJ
Auditor	Bache Brown & Co Limited Swinford House Albion Street Brierley Hill DY5 3EE
Business address	295 Birmingham New Road Dudley West Midlands DY1 4SJ
Bankers	Barclays Bank Plc 313 High Street West Bromwich West Midlands B70 8LP
Solicitors	Clarke Willmott 138 Edmund Street Birmingham B3 2ES

THOMAS DUDLEY GROUP LIMITED

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THOMAS DUDLEY GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Section 172(1) Statement

The Directors continue to have regard to the interests of the Group's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions. Acting in good faith and fairly between stakeholders, the Directors consider what is most likely to promote the success of the Group for its members in the long term.

The Group continues to work with schools, trade bodies, The Black Country Skills Factory and other local employers. The aim is to encourage local, young engineers of the future by showcasing an exciting working environment and ensuring training is relevant to employer's needs.

The Group continues to hold BSI 9001 (Quality), 14001 (Environment) and 18001 (Health and safety accreditations) to ensure we maintain a reputation for high standards of business conduct in all areas. All audits in the year were completed with positive feedback and our sites have been used as reference sites for best practice in some areas.

THOMAS DUDLEY GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Principal Activities

The principal activity of the group is manufacturing and the areas of specialism are iron foundries, plastic cistern, component and resin sanitaryware manufacturers.

The Foundry division supplies the Builders Merchant, Public Utility, OEM, Engineering and Automotive markets.

The Plastics division supplies the Builders Merchant, OEM and Retail markets.

There have been no significant changes in principle activities in the year under review.

Business Review and Future Developments

We consider the key performance indicators which best communicate the financial performance and strength of the business are turnover, return on capital employed and with our growth plans, continued investment and liquidity

Group turnover on a like for like basis is up 22.5% on the prior period. The principal reason for this has been the bounce back from the Coronavirus pandemic which at one point reduced Group turnover to 25% of 'normal' in 2020. In addition to this the Group has benefitted from the reshoring of work to the UK following Brexit as customers look to shorten their supply chains and increasingly source from a UK manufacturer. The disruption to supply from the Far East due to a lack of shipping containers and China's zero Covid policy lockdowns has also fed into the reshoring of work to UK manufacturers. The rapid inflation in both raw material and component prices has also fed through into turnover as we have been forced to increase prices. We have not lost any significant customers in 2021 and generally we still operate in markets where there is fierce competition from cheap imports.

Operating profit was up 78% on 2020 mainly due to the rebound in turnover post pandemic. The operating efficiencies achieved during 2020 were maintained in 2021 and with a full order book helped to improve gross profit by 3%.

Return on capital employed based on operating profit was up at 7.3% compared to 4.4% for 2020 as a result of the rebound in turnover and improved margins.

The liquidity ratio was down at 4.4 compared to 6.6 last year due to two new investments properties being purchased during 2021 with a yield of over 7%. Liquidity still remains very strong though with £5.5m of cash at bank at the year-end so that any investment opportunities can be pursued.

The balance sheet saw a 21% increase in shareholders' funds over the course of the year due to the profitability of the Group, a revaluation of the investment properties and also a £4.3m actuarial gain, net of tax, on the defined benefit scheme reversing the actuarial loss of last year as inflation worries increased gilt rates, on which liabilities are discounted. Overall therefore the financial position of the Group remains very strong with net assets of £64million and net current assets of £32million. This allows the Group to take advantage of any future investment opportunities as they arise.

THOMAS DUDLEY GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties

The main risks to the Group are falling customer demand due to the impact of inflation, increase in raw material, component and energy costs and skills shortages.

The business environment continues to be challenging with raw material and energy prices continuing to increase to unprecedented levels. The strong liquidity of the Group has meant stock holding could be increased to secure raw material and components as supply chains were stretched as a result of Covid and Brexit.

Skilled labour continues to be in short supply so we have recruited a number of apprentices. Our exposure to the UK construction industry means that elements of the business are subject to the monetary policy adopted by the banking industry and government policy. Competition within our market continues to be fierce both from imports and two foreign competitors who purchased UK brands and businesses to assist with their UK market penetration.

In summary, given these risks and uncertainties, we are aware that the future development of the business may be influenced by unforeseen future events outside our control but feel that the current strategy of investment in acquisitions, plant and equipment, training and educating our workforce, increasing awareness of manufacturing in education, developing new innovative products and factoring risk into our decision making is correct for the long term success of the business.

On behalf of the board

Mr M J Dudley
Director
30 June 2022



THOMAS DUDLEY GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Principal activities

The principal activities of the group are set out in note 16 of the accounts.

Results and dividends

The results for the year are set out on page 13.

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

Directors

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

Mr M J Dudley
Mr P J Davies
Mr A Powles
Mr J Parker

Employee involvement

The ongoing facilities for employees to be involved in, and to be informed about the performance of the company are centred on quarterly works and staff committee meetings. There is a bonus element of employee remuneration based on the performance of the companies within the group.

Within the Group employee engagement is key but this is not just scores from the Employee Satisfaction survey. There is regular communication through various channels including 'Friday Hello' emails, 'Birthday lunches' to which all employees are invited at various points of the year, quarterly Employee committee meetings, H&S groups, twice yearly newsletters, learner lunches and an open door policy throughout the Group of Companies. Directors attend all of the above and are regularly on the shop floor having conversations with the employees, understanding what is going well and where they can support if there are issues and making sure employees appreciate how the company is performing.

The benefits offered to employees include a yearly performance bonus, which is communicated to all employees and every person within the Group can make a difference in achieving the targets set and the amount of bonus received.

Our values of Family, Teamwork and Partnership are not just words they are business as usual. Our values form part of each decision we make and those values are inclusive of everyone within the Group.

Business relationships

Partnership is one of our core values and is central to how we deal with all stakeholders including suppliers and customers. This was brought to the fore during the pandemic whereby we ensured all suppliers were paid on normal terms to help maintain their cashflow. We also remained open to manufacture to support those customers who were also open even though economically it would have made more sense to close in the early stages of the pandemic.

Auditor

The auditor, Bache Brown & Co Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

THOMAS DUDLEY GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Energy and carbon report

As the group has consumed more than 40,000 kWh of energy in this reporting period, it is required to report on its emissions, energy consumption or energy efficiency activities.

<i>Energy consumption</i>	kWh	kWh
Aggregate of energy consumption in the year		
- Gas combustion	7,900,000	
- Fuel consumed for transport	82,275	
- Electricity purchased	29,000,000	
		<u>36,982,275</u>
		<u><u>36,982,275</u></u>
<i>Emissions of CO2 equivalent</i>	Metric tonnes	Metric tonnes
Scope 1 - direct emissions		
- Gas combustion	1,445.00	
- Fuel consumed for owned transport	86.00	
		<u>1,531.00</u>
Scope 2 - indirect emissions		
- Electricity purchased		10,195.00
		<u>11,726.00</u>
Total gross emissions		<u><u>11,726.00</u></u>
		<u><u>11,726.00</u></u>
<i>Intensity ratio</i>		
Tonnes CO2e per full-time employee		25.7
		<u><u>25.7</u></u>

Quantification and reporting methodology

The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also used the GHG Reporting Protocol – Corporate Standard and have used the National Energy Foundation Conversion Factors for Company Reporting

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per employee, the recommended ratio for the sector.

Measures taken to improve energy efficiency

Energy usage was significantly up compared to 2020 but this purely relates to the increased turnover and activity levels post Covid and the energy used was consumed more efficiently.

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.

THOMAS DUDLEY GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

On behalf of the board

Mr M J Dudley
Director

A handwritten signature in black ink, appearing to read 'M J Dudley', is written over the printed name of the director.

30 June 2022

THOMAS DUDLEY GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements 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.

THOMAS DUDLEY GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THOMAS DUDLEY GROUP LIMITED

Opinion

We have audited the financial statements of Thomas Dudley Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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.

THOMAS DUDLEY GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THOMAS DUDLEY 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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 parent company or to cease operations, or have no realistic alternative but to do so.

THOMAS DUDLEY GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THOMAS DUDLEY GROUP LIMITED

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

Approach to assessing the risks of misstatement due to irregularities, including fraud

We assessed the risk of material misstatement in respect of fraud by meeting with management to understand where it considered there was susceptibility to fraud.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant reporting frameworks which are likely to affect the company include FRS102, the Companies Act 2006 and the relevant tax laws. In addition we determined that there were no significant laws and regulations which have a direct effect on the amounts and disclosures in the financial statements.

Audit response to risks identified

We considered the risk of fraud through management override of controls. We also considered how management bias may impact upon performance targets.

In response we performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of any significant transactions outside the normal course of business, reviewing accounting estimates for management bias.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquires with management around actual and potential claims. Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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.

THOMAS DUDLEY GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THOMAS DUDLEY GROUP LIMITED

Use of our report

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



Mr Ian Baker (Senior Statutory Auditor)

For and on behalf of Bache Brown & Co Limited

30 June 2022

**Chartered Accountants
Statutory Auditor**

Swinford House
Albion Street
Brierley Hill
DY5 3EE

THOMAS DUDLEY GROUP LIMITED

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

	2021 £	2020 £
Profit for the year	7,151,429	2,913,262
Other comprehensive income		
Actuarial gain/(loss) on defined benefit pension schemes	5,408,000	(5,518,000)
Tax relating to other comprehensive income	(1,067,610)	991,610
Other comprehensive income for the year	4,340,390	(4,526,390)
Total comprehensive income for the year	11,491,819	(1,613,128)

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

THOMAS DUDLEY GROUP LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	55,488,882	45,269,872
Cost of sales		(40,691,845)	(34,600,915)
Gross profit		14,797,037	10,668,957
Distribution costs		(3,912,575)	(3,617,909)
Administrative expenses		(8,368,575)	(7,781,493)
Other operating income		1,740,904	3,126,531
Operating profit	4	4,256,791	2,396,086
Interest receivable and similar income	8	137,233	94,654
Interest payable and similar expenses	9	(325,589)	(238,000)
Movement in investments	10	5,689,197	1,041,055
Profit before taxation		9,757,632	3,293,795
Taxation	11	(2,606,203)	(380,533)
Profit for the financial year	30	7,151,429	2,913,262

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

THOMAS DUDLEY GROUP LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Goodwill	12		659,032		816,916
Tangible assets	13		20,428,612		19,254,519
Investment properties	14		28,913,501		9,498,206
			<u>50,001,145</u>		<u>29,569,641</u>
Current assets					
Stocks	17	12,199,887		8,814,775	
Debtors	20	13,955,716		14,255,780	
Investments	19	10,062,025		8,699,272	
Cash at bank and in hand		5,489,348		18,385,005	
		<u>41,706,976</u>		<u>50,154,832</u>	
Creditors: amounts falling due within one year	22		<u>(9,564,322)</u>		<u>(7,584,657)</u>
Net current assets			<u>32,142,654</u>		<u>42,570,175</u>
Total assets less current liabilities			<u>82,143,799</u>		<u>72,139,816</u>
Creditors: amounts falling due after more than one year	21		(2,177,163)		(284,747)
Provisions for liabilities	23		(3,817,206)		(1,578,458)
Net assets excluding pension liability			<u>76,149,430</u>		<u>70,276,611</u>
Defined benefit pension liability	26		(11,754,000)		(17,373,000)
Net assets			<u>64,395,430</u>		<u>52,903,611</u>
Capital and reserves					
Called up share capital	25		318,852		318,852
Revaluation reserve	27		987,389		987,389
Other reserves	28		39,010		39,010
Capital redemption reserve	29		1,121,267		1,121,267
Profit and loss reserves	30		61,928,912		50,437,093
Total equity			<u>64,395,430</u>		<u>52,903,611</u>

The financial statements were approved by the board of directors and authorised for issue on 30 June 2022 and are signed on its behalf by:

Mr M J Dudley
Director



THOMAS DUDLEY GROUP LIMITED
GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Revaluation reserve	Capital redemption reserve	Other reserves	Profit and loss reserves	Total
	£	£	£	£	£	£
Balance at 1 January 2020	318,852	987,389	1,121,267	39,010	52,050,221	54,516,739
Year ended 31 December 2020:						
Profit for the year	-	-	-	-	2,913,262	2,913,262
Other comprehensive income:						
Actuarial gains on defined benefit plans	-	-	-	-	(5,518,000)	(5,518,000)
Tax relating to other comprehensive income	-	-	-	-	991,610	991,610
Total comprehensive income for the year	-	-	-	-	(1,613,128)	(1,613,128)
Balance at 31 December 2020	318,852	987,389	1,121,267	39,010	50,437,093	52,903,611
Year ended 31 December 2021:						
Profit for the year	-	-	-	-	7,151,429	7,151,429
Other comprehensive income:						
Actuarial gains on defined benefit plans	-	-	-	-	5,408,000	5,408,000
Tax relating to other comprehensive income	-	-	-	-	(1,067,610)	(1,067,610)
Total comprehensive income for the year	-	-	-	-	11,491,819	11,491,819
Balance at 31 December 2021	318,852	987,389	1,121,267	39,010	61,928,912	64,395,430

THOMAS DUDLEY GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2020	318,852	758,108	42,324,024	43,400,984
Year ended 31 December 2020:				
Profit for the year	-	-	5,095,562	5,095,562
Other comprehensive income:				
Actuarial gains on defined benefit plans	-	-	(5,518,000)	(5,518,000)
Tax relating to other comprehensive income	-	-	991,610	991,610
Total comprehensive income for the year	-	-	569,172	569,172
Balance at 31 December 2020	318,852	758,108	42,893,196	43,970,156
Year ended 31 December 2021:				
Profit for the year	-	-	10,101,566	10,101,566
Other comprehensive income:				
Actuarial gains on defined benefit plans	-	-	5,408,000	5,408,000
Tax relating to other comprehensive income	-	-	(1,067,610)	(1,067,610)
Total comprehensive income for the year	-	-	14,441,956	14,441,956
Balance at 31 December 2021	318,852	758,108	57,335,152	58,412,112

THOMAS DUDLEY GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		2,057		5,142
Investment properties	14	46,078,500		20,346,983	
Investments	16		6,729,292		6,729,205
			<u>52,809,849</u>		<u>27,081,330</u>
Current assets					
Debtors falling due after more than one year	20	8,633,260		9,550,870	
Debtors falling due within one year	20	7,436,973		12,286,168	
Investments	19	10,062,025		8,699,272	
Cash at bank and in hand		1,721,222		8,682,268	
			<u>27,853,480</u>		<u>39,218,578</u>
Creditors: amounts falling due within one year	22	(5,400,897)		(4,003,752)	
Net current assets			<u>22,452,583</u>		<u>35,214,826</u>
Total assets less current liabilities			<u>75,262,432</u>		<u>62,296,156</u>
Creditors: amounts falling due after more than one year	21		(2,002,320)		-
Provisions for liabilities	23		(3,094,000)		(953,000)
Net assets excluding pension liability			<u>70,166,112</u>		<u>61,343,156</u>
Defined benefit pension liability	26		(11,754,000)		(17,373,000)
Net assets			<u><u>58,412,112</u></u>		<u><u>43,970,156</u></u>
Capital and reserves					
Called up share capital	25		318,852		318,852
Capital redemption reserve	29		758,108		758,108
Profit and loss reserves	30		57,335,152		42,893,196
Total equity			<u><u>58,412,112</u></u>		<u><u>43,970,156</u></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 £10,101,566 (2020 - £5,095,562 profit).

THOMAS DUDLEY GROUP LIMITED

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 30 June 2022 and are signed on its behalf by:

Mr M J Dudley
Director



Company Registration No. 00732459

THOMAS DUDLEY GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	35	2,126,746		6,799,966	
Interest paid		(85,589)		-	
Income taxes paid		(170,010)		(196,690)	
Net cash inflow from operating activities		<u>1,871,147</u>		<u>6,603,276</u>	
Investing activities					
Purchase of tangible fixed assets		(2,982,940)		(929,724)	
Proceeds on disposal of tangible fixed assets		45,934		12,066	
Purchase of investment property		(15,545,135)		-	
Movement in other investments and loans		(68,216)		2,618,340	
Interest received		4,339		28,777	
Dividends received		132,894		65,877	
Net cash (used in)/generated from investing activities		<u>(18,413,124)</u>		<u>1,795,336</u>	
Financing activities					
Proceeds of new bank loans		5,000,000		-	
Repayment of bank loans		(1,353,680)		-	
Net cash generated from/(used in) financing activities		<u>3,646,320</u>		<u>-</u>	
Net (decrease)/increase in cash and cash equivalents		<u>(12,895,657)</u>		<u>8,398,612</u>	
Cash and cash equivalents at beginning of year		18,385,005		9,986,393	
Cash and cash equivalents at end of year		<u><u>5,489,348</u></u>		<u><u>18,385,005</u></u>	

THOMAS DUDLEY GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Thomas Dudley Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 295 Birmingham New Road, Dudley, West Midlands, DY1 4SJ.

The group consists of Thomas Dudley Group Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

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

1.2 Business combinations

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

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

1.3 Basis of consolidation

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

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

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

THOMAS DUDLEY GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.4 Going concern

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

1.5 Turnover

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

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

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

1.6 Research and development expenditure

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

1.7 Intangible fixed assets - goodwill

Negative goodwill is attributable to future reorganisation costs and losses that do not represent identifiable liabilities at the acquisition date and is being written off in equal annual instalments over the period in which reorganisation costs and losses are expected to occur.

1.8 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.

Tangible fixed assets include investment properties which are included on an existing use open market value basis. Other tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% straight line
Plant and machinery	up to 25% straight line
Other plant	up to 25% straight line
Motor vehicles	25% straight line

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

1.9 Investment properties

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.

THOMAS DUDLEY GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Gains or losses arising from changes in the fair value of investment property are included in profit and loss for the period in which they arise.

1.10 Fixed asset investments

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

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

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

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

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

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

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

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

1.11 Impairment of fixed assets

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

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

THOMAS DUDLEY GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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

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

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

1.12 Stocks

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

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

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

1.13 Cash and cash equivalents

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

1.14 Financial instruments

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

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

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

Basic financial assets

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

THOMAS DUDLEY GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

THOMAS DUDLEY GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.15 Equity instruments

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

1.16 Taxation

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

Current tax

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

Deferred tax

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

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

THOMAS DUDLEY GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.17 Employee benefits

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

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

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

1.18 Retirement benefits

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

The parent company operates a funded defined benefit pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives. The regular cost is attributed to the individual years using the projected unit credit method. Variations in cost which are identified as a result of actuarial valuations, are amortised over the average expected remaining service lives of employees in proportion to expected payroll costs.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligation) and is based on actuarial advice. Past service costs are recognised in the profit and loss on a straight-line basis over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the profit and loss during the period in which the settlement or curtailment occurs.

The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and it is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year. The difference between the expected return on plan assets and the interest cost is recognised in the profit and loss as other finance income or expense.

Actuarial gains and losses are recognised in full in the statement of recognised gains and losses in the period in which they occur.

The defined benefit pension asset or liability in the balance sheet comprises the total of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less any past service cost not yet recognised and less the fair value of plan assets 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 mid-market value. The value of a net pension benefit is restricted to the sum of any unrecognised past service costs and the present value of any amount the Company expected to recover by way of refunds from the plan or reductions in future contributions.

THOMAS DUDLEY GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

1.19 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.

1.20 Government grants

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

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

1.21 Foreign exchange

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

THOMAS DUDLEY GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

Inventory

Inventories are valued at the lower of cost and net realisation. Net realisation value includes where necessary, provisions for slow moving and obsolete stocks. The calculation of these provisions is made on a line by line basis based on a combination of the item's age, sales history and classification as a discontinued line. The adequacy of the provision is monitored with reference to the amounts realised when old stock is cleared.

Bad debt provision

A bad debt provision is set up when the likelihood of recovering the debt is diminished. The level of provision will be based on any current repayment plan entered into and which is being adhered to by the debtor, together with an estimate of the likelihood of the amounts due being fully recovered.

Useful economic lives of non current assets

The useful economic lives of non-current assets have been derived from the judgement of the directors, using their best estimate of write-down period.

Fair value of investment properties

The group carries its investment properties at fair value, with changes in fair value being recognised in profit and loss. The fair value of the investment property has been arrived at by a valuation carried out by Chartered Surveyors, who are not connected to the company. The valuation was made on an open market value basis.

Defined benefit pension scheme

The group has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 26 for the disclosures relating to the defined benefit scheme.

Current asset investments

The group carries its current asset investments at fair value, with changes in fair value being recognised in profit and loss. Fair values are derived from quoted market prices for identical assets or liabilities from active market for which an entity has immediate access.

THOMAS DUDLEY GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

Rebates

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are the estimation of rebate and discount accruals by the directors which are based on turnover and agreements in place.

3 Turnover and other revenue

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

	2021 £	2020 £
Turnover analysed by class of business		
Sales of goods	55,488,882	45,269,872

	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	48,557,229	38,918,587
Exports	6,931,653	6,351,285
	55,488,882	45,269,872

	2021 £	2020 £
Other revenue		
Interest income	4,339	28,777
Dividends received	132,894	65,877
Grants received	171,725	2,374,952
Rental income arising from investment properties	-	751,579

4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(1,956)	72,854
Research and development costs	18,830	16,234
Government grants	(171,725)	(2,374,952)
Depreciation of owned tangible fixed assets	2,287,413	2,327,647
Profit on disposal of tangible fixed assets	(36,949)	(52,349)
Amortisation of intangible assets	157,884	157,884
Cost of stocks recognised as an expense	19,891,363	16,619,949
Operating lease charges	126,578	126,288

THOMAS DUDLEY GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 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
Administration	103	58	-	-
Selling and distribution	35	27	-	-
Works	318	277	-	-
Total	456	362	-	-

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	14,158,675	13,657,325	893,609	834,854
Social security costs	1,392,558	1,224,027	86,690	108,691
Pension costs	1,362,569	1,188,194	494,375	330,387
	16,913,802	16,069,546	1,474,674	1,273,932

6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	907,532	851,058
Company pension contributions to defined contribution schemes	30,511	38,713
	938,043	889,771

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 2).

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

	2021 £	2020 £
Remuneration for qualifying services	626,822	617,433
Company pension contributions to defined contribution schemes	10,000	10,000

THOMAS DUDLEY GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 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	12,000	12,000
Audit of the financial statements of the company's subsidiaries	22,850	22,500
	<u>34,850</u>	<u>34,500</u>
For services in respect of associated pension schemes		
Audit-related assurance services	<u>3,500</u>	<u>3,500</u>
8 Interest receivable and similar income		
	2021	2020
	£	£
Interest income		
Interest on bank deposits	803	24,285
Other interest income	3,536	4,492
	<u>4,339</u>	<u>28,777</u>
Total interest revenue		
Other income from investments		
Dividends received	132,894	65,877
	<u>137,233</u>	<u>94,654</u>
Total income		
	<u>137,233</u>	<u>94,654</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	3,644	28,777
Dividends from financial assets measured at fair value through profit or loss	132,894	65,877
	<u>136,538</u>	<u>94,654</u>
9 Interest payable and similar expenses		
	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	85,831	-
Other finance costs:		
Net interest on the net defined benefit liability	240,000	238,000
Other interest	(242)	-
	<u>325,589</u>	<u>238,000</u>
Total finance costs		
	<u>325,589</u>	<u>238,000</u>

THOMAS DUDLEY GROUP LIMITED

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

10 Movement in investments

	2021	2020
	£	£
Fair value gains/(losses) on financial instruments		
Amounts written back to fair value through profit or loss	1,021,280	996,798
Other gains/(losses)		
Gain on disposal of financial assets held at fair value through profit or loss	273,257	44,257
Changes in the fair value of investment properties	4,394,660	-
	<u>5,689,197</u>	<u>1,041,055</u>

11 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	498,517	303,214
Adjustments in respect of prior periods	(127,279)	(89,262)
Total current tax	<u>371,238</u>	<u>213,952</u>
Deferred tax		
Origination and reversal of timing differences	<u>2,234,965</u>	<u>166,581</u>
Total tax charge	<u>2,606,203</u>	<u>380,533</u>

THOMAS DUDLEY GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Taxation

(Continued)

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	9,757,632	3,293,795
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	1,853,950	625,821
Tax effect of expenses that are not deductible in determining taxable profit	(1,072,174)	(188,598)
Adjustments in respect of prior years	(127,279)	(130,887)
Depreciation on assets not qualifying for tax allowances	38,907	38,907
Amortisation on assets not qualifying for tax allowances	29,998	29,998
Research and development tax credit	(177,099)	(62,304)
Other non-reversing timing differences	161	31
Patent box deduction	(40,500)	(3,578)
Other tax adjustments	2,138,570	116,375
Defined benefit relief	(38,331)	(45,232)
Taxation charge	2,606,203	380,533

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:		
Actuarial differences recognised as other comprehensive income	1,067,610	(991,610)

12 Intangible fixed assets

Group	Goodwill £	Negative goodwill £	Total £
Cost			
At 1 January 2021 and 31 December 2021	1,627,737	(1,765,190)	(137,453)
Amortisation and impairment			
At 1 January 2021	810,821	(1,765,190)	(954,369)
Amortisation charged for the year	157,884	-	157,884
At 31 December 2021	968,705	(1,765,190)	(796,485)

THOMAS DUDLEY GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Intangible fixed assets

(Continued)

Carrying amount

At 31 December 2021	659,032	-	659,032
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020	816,916	-	816,916
	<u> </u>	<u> </u>	<u> </u>

The company had no intangible fixed assets at 31 December 2021 or 31 December 2020.

THOMAS DUDLEY GROUP LIMITED

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

13 Tangible fixed assets

Group	Land and buildings	Assets under	Plant and	Other plant	Total
	Freehold	construction	machinery	Motor vehicles	
	£	£	£	£	£
Cost or valuation					
At 1 January 2021	10,348,448	363,826	33,961,176	1,164,117	1,039,874
Additions	-	1,581,697	1,257,570	4,246	139,427
Disposals	-	-	(456,830)	-	(255,341)
Transfers	524,500	-	-	-	48,500
At 31 December 2021	10,872,948	1,945,523	34,761,916	1,168,363	972,460
					49,721,210
Depreciation and impairment					
At 1 January 2021	1,867,326	-	24,252,258	793,291	710,047
Depreciation charged in the year	197,652	-	1,876,173	56,279	157,309
Eliminated in respect of disposals	-	-	(450,176)	-	(216,060)
Transfers	-	-	-	-	48,499
At 31 December 2021	2,064,978	-	25,678,255	849,570	699,795
					29,292,598
Carrying amount					
At 31 December 2021	8,807,970	1,945,523	9,083,661	318,793	272,665
At 31 December 2020	8,481,122	363,826	9,708,918	370,826	329,827
					19,254,519

THOMAS DUDLEY GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Company	Other plant £
Cost or valuation	
At 1 January 2021 and 31 December 2021	25,001
Depreciation and impairment	
At 1 January 2021	19,860
Depreciation charged in the year	3,084
At 31 December 2021	22,944
Carrying amount	
At 31 December 2021	2,057
At 31 December 2020	5,142

The carrying value of land within land and buildings comprises:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Freehold	2,450,209	2,450,209	-	-

14 Investment property

	Group 2021 £	Company 2021 £
Fair value		
At 31 December 2020	9,498,206	20,346,983
Additions through external acquisition	15,545,135	15,545,135
Transfers	(524,500)	379,182
Net gains or losses through fair value adjustments	4,394,660	9,807,200
At 31 December 2021	28,913,501	46,078,500

In the Group investment property comprises commercial properties let to external tenants only. In the Company investment property comprises commercial properties let to group companies and external tenants. The fair value of the investment property has been arrived at by a valuation carried out by Chartered Surveyors, who are not connected to the company, at 31 December 2021. The valuation was made on an open market value basis.

15 Subsidiaries

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

THOMAS DUDLEY GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Subsidiaries (Continued)

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
BBS Autosyphons Limited	England and Wales	Ordinary	-	100.00
Beta Ballvalves Limited	England and Wales	Ordinary	100.00	-
Cronexrabo Limited	England and Wales	Ordinary	100.00	-
Holdtite Products Limited	England and Wales	Ordinary	-	100.00
Masefield Epsom Limited	England and Wales	Ordinary	100.00	-
Masefield-Beta Limited	England and Wales	Ordinary	100.00	-
McDonald Diecasting Limited	England and Wales	Ordinary	100.00	-
Rugby Plastics Limited	England and Wales	Ordinary	-	100.00
Thomas Dudley Developments Limited	England and Wales	Ordinary	100.00	-
Thomas Dudley Foundry Limited	England and Wales	Ordinary	-	100.00
Thomas Dudley Limited	England and Wales	Ordinary	100.00	-
Waterfit Limited	England and Wales	Ordinary	-	100.00
Thomas Dudley Ireland Limited	Ireland	Ordinary	100.00	-

16 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	15	-	-	6,729,292	6,729,205

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 January 2021	6,729,205
Additions	87
At 31 December 2021	6,729,292
Carrying amount	
At 31 December 2021	6,729,292
At 31 December 2020	6,729,205

THOMAS DUDLEY GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

17 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Raw materials and consumables	6,072,845	4,416,668	-	-
Work in progress	1,287,900	856,679	-	-
Finished goods and goods for resale	4,839,142	3,541,428	-	-
	<u>12,199,887</u>	<u>8,814,775</u>	<u>-</u>	<u>-</u>

18 Financial instruments

	Group 2021 £	2020 £	Company 2021 £	2020 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	10,965,779	10,305,703	15,090,478	15,090,478
Equity instruments measured at cost less impairment	-	-	6,729,205	6,729,205
Instruments measured at fair value through profit or loss	10,060,147	8,697,394	10,060,147	8,697,394
	<u>10,060,147</u>	<u>8,697,394</u>	<u>10,060,147</u>	<u>8,697,394</u>
Carrying amount of financial liabilities				
Measured at amortised cost	9,797,864	4,673,620	6,705,462	2,404,214
	<u>9,797,864</u>	<u>4,673,620</u>	<u>6,705,462</u>	<u>2,404,214</u>

19 Current asset investments

	Group 2021 £	2020 £	Company 2021 £	2020 £
Listed investments	10,060,147	8,697,394	10,060,147	8,697,394
Unlisted investments	1,878	1,878	1,878	1,878
	<u>10,062,025</u>	<u>8,699,272</u>	<u>10,062,025</u>	<u>8,699,272</u>

THOMAS DUDLEY GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

20 Debtors

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	10,848,283	9,571,934	608,768	240,447
Corporation tax recoverable	113,375	192,437	-	145,587
Amounts owed by group undertakings	-	-	6,742,945	4,231,861
Other debtors	117,494	702,720	35,943	7,621,773
Prepayments and accrued income	639,521	487,819	49,317	46,500
	<u>11,718,673</u>	<u>10,954,910</u>	<u>7,436,973</u>	<u>12,286,168</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	6,400,000	6,250,000
Deferred tax asset (note 23)	2,237,043	3,300,870	2,233,260	3,300,870
	<u>2,237,043</u>	<u>3,300,870</u>	<u>8,633,260</u>	<u>9,550,870</u>
Total debtors	<u>13,955,716</u>	<u>14,255,780</u>	<u>16,070,233</u>	<u>21,837,038</u>

21 Creditors: amounts falling due after more than one year

	Group 2021	2020	Company 2021	2020
Notes	£	£	£	£
Bank loans and overdrafts	2,002,320	-	2,002,320	-
Government grants	24 174,843	284,747	-	-
	<u>2,177,163</u>	<u>284,747</u>	<u>2,002,320</u>	<u>-</u>

THOMAS DUDLEY GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts		1,644,000	-	1,644,000	-
Trade creditors		5,721,018	4,420,215	743,540	259,454
Amounts owed to group undertakings		-	-	2,081,977	2,076,981
Corporation tax payable		273,885	72,000	256,490	-
Other taxation and social security		994,306	2,303,205	602,622	1,599,538
Government grants	24	109,904	115,795	-	-
Other creditors		205,778	137,611	72,268	67,779
Accruals and deferred income		615,431	535,831	-	-
		<u>9,564,322</u>	<u>7,584,657</u>	<u>5,400,897</u>	<u>4,003,752</u>

23 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:

Group	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Accelerated capital allowances	899,206	688,458	3,783	-
Retirement benefit obligations	-	-	2,233,260	3,300,870
Investment property	2,148,000	320,000	-	-
Investments	770,000	570,000	-	-
	<u>3,817,206</u>	<u>1,578,458</u>	<u>2,237,043</u>	<u>3,300,870</u>
Company	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Accelerated capital allowances	176,000	63,000	-	-
Retirement benefit obligations	-	-	2,233,260	3,300,870
Investment property	2,148,000	320,000	-	-
Investments	770,000	570,000	-	-
	<u>3,094,000</u>	<u>953,000</u>	<u>2,233,260</u>	<u>3,300,870</u>

THOMAS DUDLEY GROUP LIMITED

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

23 Deferred taxation

(Continued)

	Group 2021 £	Company 2021 £
Movements in the year:		
Asset at 1 January 2021	(1,722,412)	(2,347,870)
Charge to profit or loss	2,234,965	2,141,000
Charge to other comprehensive income	1,067,610	1,067,610
Liability at 31 December 2021	<u>1,580,163</u>	<u>860,740</u>

24 Government grants

	Group 2021 £	2020 £	Company 2021 £	2020 £
Arising from government grants	<u>284,747</u>	<u>400,542</u>	<u>-</u>	<u>-</u>

Deferred income is included in the financial statements as follows:

Current liabilities	109,904	115,795	-	-
Non-current liabilities	<u>174,843</u>	<u>284,747</u>	<u>-</u>	<u>-</u>
	<u>284,747</u>	<u>400,542</u>	<u>-</u>	<u>-</u>

25 Share capital

Group and company	2021	2020	2021	2020
Ordinary share capital issued and fully paid	Number	Number	£	£
A Ordinary shares of £1 each	162,615	162,615	162,615	162,615
B Ordinary shares of £1 each	116,305	116,305	116,305	116,305
C Ordinary shares of £1 each	39,932	39,932	39,932	39,932
	<u>318,852</u>	<u>318,852</u>	<u>318,852</u>	<u>318,852</u>

THOMAS DUDLEY GROUP LIMITED

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

26 Retirement benefit schemes

Defined contribution schemes	2021 £	2020 £
Charge to profit or loss in respect of defined contribution schemes	553,902	489,517

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 scheme for qualifying employees. Under the scheme the employees are entitled to retirement benefits varying between one eightieth and one sixtieth of final salary for each completed year of pensionable service on attainment of a retirement age of between 60 and 65. No other post retirement benefits are provided.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out as at 30 April 2019 by Rachel Hunt, Fellow of the Institute of Actuaries. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

<i>Key assumptions</i>	2021 %	2020 %
Discount rate	1.8	1.4
Expected rate of increase of pensions in payment	2.0	1.8
Expected rate of salary increases	2.9	2.4

<i>Mortality assumptions</i>	2021 Years	2020 Years
Assumed life expectations on retirement at age 65:		
Retiring today		
- Males	21.52	20.2
- Females	23.28	22.2
Retiring in 20 years		
- Males	22.82	21.3
- Females	24.8	23.4

<i>Amounts recognised in the profit and loss account</i>	2021 £	2020 £
Current service cost	464,000	381,000
Net interest on defined benefit liability/(asset)	240,000	238,000
Other costs and income	40,000	-
Total costs	744,000	619,000

THOMAS DUDLEY GROUP LIMITED

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

26 Retirement benefit schemes

(Continued)

	2021	2020
	£	£
<i>Amounts taken to other comprehensive income</i>		
Actual return on scheme assets	(6,186,000)	(1,691,000)
Less: calculated interest element	544,000	750,000
Return on scheme assets excluding interest income	(5,642,000)	(941,000)
Actuarial changes related to obligations	234,000	6,459,000
Total costs/(income)	(5,408,000)	5,518,000

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	56,622,000	56,418,000	56,622,000	56,418,000
Fair value of plan assets	(44,868,000)	(39,045,000)	(44,868,000)	(39,045,000)
Deficit in scheme	11,754,000	17,373,000	11,754,000	17,373,000

	Group 2021	Company 2021
	£	£
<i>Movements in the present value of defined benefit obligations</i>		
Liabilities at 1 January 2021	56,418,000	56,418,000
Current service cost	464,000	464,000
Benefits paid	(1,348,000)	(1,348,000)
Contributions from scheme members	70,000	70,000
Actuarial gains and losses	234,000	234,000
Interest cost	784,000	784,000
At 31 December 2021	56,622,000	56,622,000

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

THOMAS DUDLEY GROUP LIMITED

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

26 Retirement benefit schemes

(Continued)

	Group 2021 £	Company 2021 £
<i>Movements in the fair value of plan assets</i>		
Fair value of assets at 1 January 2021	39,045,000	39,045,000
Interest income	544,000	544,000
Return on plan assets (excluding amounts included in net interest)	5,642,000	5,642,000
Benefits paid	(1,348,000)	(1,348,000)
Contributions by the employer	955,000	955,000
Contributions by scheme members	70,000	70,000
Other	(40,000)	(40,000)
At 31 December 2021	<u>44,868,000</u>	<u>44,868,000</u>

The actual return on plan assets was (£6,186,000) (2020: £1,691,000)

Fair value of plan assets at the reporting period end

	Group 2021 £	2020 £	Company 2021 £	2020 £
Equity instruments	31,581,000	25,599,000	31,581,000	25,599,000
Property	4,944,000	5,110,000	4,944,000	5,110,000
Bonds	792,000	1,795,000	792,000	1,795,000
Cash/other	7,551,000	6,541,000	7,551,000	6,541,000
	<u>44,868,000</u>	<u>39,045,000</u>	<u>44,868,000</u>	<u>39,045,000</u>

27 Revaluation reserve

	Group 2021 £	2020 £	Company 2021 £	2020 £
At beginning and end of year	<u>987,389</u>	<u>987,389</u>	<u>-</u>	<u>-</u>

THOMAS DUDLEY GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

28 Other reserves				
Own shares	Group	2020	Company	2020
	2021	2020	2021	2020
	£	£	£	£
At beginning and end of year	39,010	39,010	-	-
29 Capital redemption reserve	Group	2020	Company	2020
	2021	2020	2021	2020
	£	£	£	£
At beginning and end of year	1,121,267	1,121,267	758,108	758,108
30 Profit and loss reserves	Group	2020	Company	2020
	2021	2020	2021	2020
	£	£	£	£
At the beginning of the year	50,437,093	52,050,221	42,893,196	42,324,024
Profit for the year	7,151,429	2,913,262	10,101,566	5,095,562
Actuarial differences recognised in other comprehensive income	5,408,000	(5,518,000)	5,408,000	(5,518,000)
Tax on actuarial differences	(1,067,610)	991,610	(1,067,610)	991,610
At the end of the year	61,928,912	50,437,093	57,335,152	42,893,196
31 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	2020	Company	2020
	2021	2020	2021	2020
	£	£	£	£
Within one year	121,059	189,310	-	-
Between two and five years	132,568	253,628	-	-
	253,627	442,938	-	-

THOMAS DUDLEY GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

32 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Acquisition of tangible fixed assets	924,139	236,007	-	-

33 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	1,733,339	1,608,539

34 Controlling party

The ultimate controlling party is The Executors of HJT Dudley (deceased).

35 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	7,151,429	2,913,262
Adjustments for:		
Taxation charged	2,606,203	380,533
Finance costs	325,589	238,000
Investment income	(137,233)	(94,654)
Amortisation and impairment of intangible assets	157,884	157,884
Depreciation and impairment of tangible fixed assets	2,287,413	2,327,647
Amounts written off investments	(5,689,197)	(1,041,055)
Pension scheme non-cash movement	(451,000)	(537,000)
Movements in working capital:		
(Increase)/decrease in stocks	(3,385,112)	1,662,754
(Increase) in debtors	(858,763)	(417,554)
Increase in creditors	229,437	1,325,944
(Decrease) in deferred income	(109,904)	(115,795)
Cash generated from operations	2,126,746	6,799,966

THOMAS DUDLEY GROUP LIMITED

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

36 Analysis of changes in net funds - group

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	18,385,005	(12,895,657)	5,489,348
Borrowings excluding overdrafts	-	(3,646,320)	(3,646,320)
	<u>18,385,005</u>	<u>(16,541,977)</u>	<u>1,843,028</u>

37 Analysis of changes in net funds/(debt) - company

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	8,682,268	(6,961,046)	1,721,222
Borrowings excluding overdrafts	-	(3,646,320)	(3,646,320)
	<u>8,682,268</u>	<u>(10,607,366)</u>	<u>(1,925,098)</u>