
TINSLEY BRIDGE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

TINSLEY BRIDGE LIMITED

COMPANY INFORMATION

Directors

K Charlesworth
B S Cunliffe (resigned 30 August 2021)
M C Webber
R Crow
M A Filleul
C Steele
N Moss (appointed 1 September 2021)

Company secretary

J E Webber (appointed 19 May 2021)
B S Cunliffe (resigned 19 May 2021)

Registered number

01866166

Registered office

335 Shepcote Lane
Sheffield
S9 1TG

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
1 Holly Street
Sheffield
S1 2GT

Bankers

Royal Bank of Scotland
8 South Parade
Nottingham
NG1 2JS

TINSLEY BRIDGE LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 4
Independent auditor's report	5 - 9
Statement of income and retained earnings	10
Statement of financial position	11
Notes to the financial statements	12 - 26

TINSLEY BRIDGE LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Introduction

The directors present their Strategic report and the financial statements for the year ended 30 September 2021.

Business review

Strong sales growth in both the automotive market and network rail enabled TBL to deliver sales of £13.1million, a growth of 39.5%. This high level of growth in TBL has been disruptive and not conducive to productive and efficient manufacture. In addition to this steel costs continued to increase as well as supply issues with demand outstretching supply. TBL delivered a positive level of operating profit for the year, but the stop start nature of both Covid and Brexit have significantly impacted on the level of profitability of TBL. Profit after tax was £749,255 against the loss made in 2020 of £307,910.

Principal risks and uncertainties

The Company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations. The main risks arising from the Company financial instruments are interest rate risk, liquidity risk and foreign currency risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous periods.

Interest rate risk

The Company finances its operations through a mixture of retained profits, inter-company accounts and bank borrowings. The Company's exposure to interest rate fluctuations on its borrowings is managed on a group basis by the use of both fixed and floating facilities.

Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through inter-company accounts and bank borrowings.

Currency risk

The Company is exposed to transaction and translation foreign exchange risk. This is managed on a group basis by the use of forward contracts.

Financial key performance indicators

Turnover increased to £13.1m in 2021, 39% compared to the prior year, recovering from the 3 month shut down of the customer's automotive truck businesses in 2020. The whole automotive marketplace continued to be a challenge with continued disruption from Brexit via the supply chain, shortage of steel supply and the continued impact of Covid on maintaining a healthy work force. TBL made an operating profit of £558,100 against an operating loss of £132,746 in 2020 and profit after tax of £749,255 against a loss after tax of £307,910 in 2020. Working capital increased by 26% to fund the sales growth, with debtors increasing by 60 % and stocks by 17%. Debtor days improved by one day to 39 from 40 in 2020.

This report was approved by the board and signed on its behalf.

Nicholas Moss

N Moss
Director

Date: 12/5/2022

TINSLEY BRIDGE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present their report and the financial statements for the year ended 30 September 2021.

Results and dividends

The profit for the year, after taxation, amounted to £749,255 (2020 - loss £307,910).

The directors have issued dividends during the year of £Nil (2020: £Nil).

Directors

The directors who served during the year were:

K Charlesworth
B S Cunliffe (resigned 30 August 2021)
M C Webber
R Crow
M A Filleul
C Steele
N Moss (appointed 1 September 2021)

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

TINSLEY BRIDGE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Going concern

Tinsley Bridge Group have accessed, through RBS, £1m of funding from the Coronavirus Business Interruption Scheme (CBILS') which will help de-risk our short term cash requirements over the coming year and will protect TBG from a further sustained material downturn in demand as a result of ongoing restrictions over the next 12 months.

In this context, these financial statements have been prepared on a going concern basis taking note of the guidance issued by the Financial Reporting Council on Going Concern Assessments in determining that this is an appropriate basis of preparation of the financial statements.

Since the year end in September several significant external factors have impacted the performance of the businesses, the continuation of the impact of Coronavirus on the availability and effectiveness of the workforce, impact of steel shortages on supply, price and availability, the global shortage of computer chips impacting customer demand, significant inflationary pressures across all commodities and the impact of the Russian/Ukraine conflict.

The impact of the above has meant that these exceptional costs need to be recovered from the customers. In order to achieve this, discussions commenced with the key customers in both the ARB business and the machine knives business.

In the TMK business, price increases were achieved in October 21 and further increases are being implemented in April/May.

In TBL two main customers in the ARB have taken until March/April 22 to agree to financial support of the exceptional short term cost increases. This support is now in place and will continue whilst steel and energy costs are at their current levels.

Whilst the price increases were being approved, TBG took out a short term loan from Northern Power House, £400,000, to ensure the short term cash position was not under additional pressure. The first £100,000 of this loan will be paid back at the end of April and TBG will commence to pay interest on the remainder of the loan in July 2022, which can be paid back over 3 years.

In addition to this one of the key customers in the ARB business has agreed to change their payment terms from 60 days to 30 days from the end of April. This improvement has now been actioned and all invoices are now on 30 day terms.

Short term cash is now reviewed bi monthly with the MD, CD, FD and FC as a formal process.

The Directors have reviewed forecasts to June 2023, including scenarios modelled on levels of restrictions remaining at current levels for a further twelve-month period, and believe that with the benefit of the support noted above, the Group will be able to meet its liabilities as they fall due over that period.

The directors do not believe there are circumstances that would represent a material uncertainty which could cast doubt on the Company's ability to continue as a going concern.

The directors expect that Tinsley Bridge Group has sufficient resources to enable it to continue to adopt the going concern basis in preparing the financial statements. These financial statements do not include any adjustment that would arise if the going concern basis of preparation was not considered appropriate.

Future developments

The Company is part of the strategy for the Group to which it belongs, to develop new products and strategic markets with a view to maximising the utilisation of its current asset base, whilst identifying worthwhile investment opportunities that will enable new market entry and operational efficiencies.

TINSLEY BRIDGE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Research and development activities

Research and development continues to be at the heart of the Company's future plans.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Nicholas Moss

N Moss
Director
Date: 12/5/2022



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TINSLEY BRIDGE LIMITED

Opinion

We have audited the financial statements of Tinsley Bridge Limited (the 'Company') for the year ended 30 September 2021, which comprise the Statement of income and retained earnings, the Statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of its 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TINSLEY BRIDGE LIMITED (CONTINUED)

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 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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TINSLEY BRIDGE LIMITED (CONTINUED)

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 for the financial statements

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 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.

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TINSLEY BRIDGE LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that 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).

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

- We identified significant laws and regulations, as detailed below, relevant to the Company through inquiries of management and corroborated this through review of board minutes and legal expenses.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined which may influence the financial statements. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which the company operates.

In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those are laws and regulations relating to health and safety, employee matters, data protection, import duty and bribery and corruption practices.

- We assessed the susceptibility of the Company's financial statements to material misstatements, including how fraud might occur. We performed procedures over journal entries (in particular manual journal entries determined to be large or relating to unusual transactions), related party transactions and evaluated processes and controls in place to address the risks related to irregularities and fraud.
- The engagement team's experience with similar engagements, their understanding of the Company's industry and regulatory requirements (FRS 102, the Companies Act 2006 and the relevant tax compliance regulations) relating to the Company were considered in assessing the competence and capabilities of the engagement team.
- No matters relating to non-compliance with laws and regulation or relating to fraud were identified in relation to the above mentioned laws and regulations, which were identified by the engagement team as most significant.
- In assessing the potential risks of material misstatement, we obtained an understanding of the Company's operations, the applicable statutory provisions, and the Company's control environment, including the adequacy of procedures for authorisation of transactions.


These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TINSLEY BRIDGE LIMITED (CONTINUED)

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.

A handwritten signature in blue ink that reads "P. Edwards".

Peter Edwards BA FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield
Date: 12/5/2022

TINSLEY BRIDGE LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	13,116,395	9,455,411
Other operating income	5	123,628	456,631
Other external charges		(8,028,246)	(5,755,904)
Staff costs		(3,164,349)	(2,708,259)
Depreciation and amortisation		(143,524)	(173,932)
Other operating expenses		(1,345,804)	(1,406,693)
Operating profit/(loss)	6	558,100	(132,746)
Interest payable and similar expenses	10	(13,086)	(145,624)
Interest receivable and similar income	11	192,399	-
Profit/(loss) before tax		737,413	(278,370)
Tax on profit/(loss)	12	11,842	(29,540)
Profit/(loss) after tax		749,255	(307,910)
Retained earnings at the beginning of the year		2,895,183	3,203,093
Profit/(loss) for the year		749,255	(307,910)
Retained earnings at the end of the year		3,644,438	2,895,183

There were no recognised gains and losses for 2021 or 2020 other than those included in the Statement of income and retained earnings.

The notes on pages 12 to 26 form part of these financial statements.

TINSLEY BRIDGE LIMITED
REGISTERED NUMBER:01866166

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	691,948	749,437
		<u>691,948</u>	<u>749,437</u>
Current assets			
Stocks	14	1,227,930	1,048,073
Debtors	15	2,097,476	1,311,954
Cash at bank and in hand	16	3,186,257	2,397,342
		<u>6,511,663</u>	<u>4,757,369</u>
Creditors: amounts falling due within one year	17	(3,558,173)	(2,610,623)
Net current assets		2,953,490	2,146,746
Total assets less current liabilities		3,645,438	2,896,183
Net assets		3,645,438	2,896,183
Capital and reserves			
Called up share capital	19	1,000	1,000
Profit and loss account	20	3,644,438	2,895,183
		<u>3,645,438</u>	<u>2,896,183</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Nicholas Moss

N Moss
 Director
 Date: 12/5/2022

The notes on pages 12 to 26 form part of these financial statements.

TINSLEY BRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1. General information

Tinsley Bridge Limited is a private company limited by shares and incorporated in England and Wales. Its registered office is located at 335 Shepcote Lane, Sheffield, S9 1TG.

The principal activity of the Company during the year was the manufacture and sale of stabiliser bars for the European truck market, torsion bars for tracked vehicles and engineered components for the rail sector.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company's functional and presentational currency is sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Tinsley Bridge Group Limited as at 30 September 2021 and these financial statements may be obtained from 335 Shepcote Lane, Sheffield, S9 1TG.

TINSLEY BRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)**2.3 Going concern**

Tinsley Bridge Group have accessed, through RBS, £1m of funding from the Coronavirus Business Interruption Scheme (CBILS') which will help de-risk our short term cash requirements over the coming year and will protect TBG from a further sustained material downturn in demand as a result of ongoing restrictions over the next 12 months.

In this context, these financial statements have been prepared on a going concern basis taking note of the guidance issued by the Financial Reporting Council on Going Concern Assessments in determining that this is an appropriate basis of preparation of the financial statements.

Since the year end in September several significant external factors have impacted the performance of the businesses, the continuation of the impact of Coronavirus on the availability and effectiveness of the workforce, impact of steel shortages on supply, price and availability, the global shortage of computer chips impacting customer demand, significant inflationary pressures across all commodities and the impact of the Russian/Ukraine conflict.

The impact of the above has meant that these exceptional costs need to be recovered from the customers. In order to achieve this, discussions commenced with the key customers in both the ARB business and the machine knives business.

In the TMK business, price increases were achieved in October 21 and further increases are being implemented in April/May.

In TBL two main customers in the ARB have taken until March/April 22 to agree to financial support of the exceptional short term cost increases. This support is now in place and will continue whilst steel and energy costs are at their current levels.

Whilst the price increases were being approved, TBG took out a short term loan from Northern Power House, £400,000, to ensure the short term cash position was not under additional pressure. The first £100,000 of this loan will be paid back at the end of April and TBG will commence to pay interest on the remainder of the loan in July 2022, which can be paid back over 3 years.

In addition to this one of the key customers in the ARB business has agreed to change their payment terms from 60 days to 30 days from the end of April. This improvement has now been actioned and all invoices are now on 30 day terms.

Short term cash is now reviewed bi monthly with the MD,CD, FD and FC as a formal process.

The Directors have reviewed forecasts to June 2023, including scenarios modelled on levels of restrictions remaining at current levels for a further twelve-month period, and believe that with the benefit of the support noted above, the Group will be able to meet its liabilities as they fall due over that period.

The directors do not believe there are circumstances that would represent a material uncertainty which could cast doubt on the Company's ability to continue as a going concern.

The directors expect that Tinsley Bridge Group has sufficient resources to enable it to continue to adopt the going concern basis in preparing the financial statements. These financial statements do not include any adjustment that would arise if the going concern basis of preparation was not considered appropriate.

TINSLEY BRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

TINSLEY BRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)**2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 3 to 10 years
---------------------	-----------------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of income.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

TINSLEY BRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)**2.9 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

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 income as appropriate. The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

TINSLEY BRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)**2.11 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income in the same period as the related expenditure.

2.12 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.14 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.15 Pensions**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Interest income

Interest income is recognised in the Statement of income using the effective interest method.

TINSLEY BRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)**2.17 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.19 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

TINSLEY BRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates may differ from the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Depreciation, useful lives and residual values of property, plant and equipment

The Company estimates the useful lives and residual values of property, plant and equipment in order to calculate the depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charges in the Statement of income and the carrying values of the property, plant and equipment on the Statement of financial position.

Movement in fair value of derivative contracts

Movements in the fair value of derivative contracts are included as a separate line item, below operating profit, within the Statement of income.

4. Turnover

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	3,249,962	2,734,158
Rest of Europe	9,535,689	6,464,471
Rest of the world	330,744	256,782
	<u>13,116,395</u>	<u>9,455,411</u>

5. Other operating income

	2021 £	2020 £
Other operating income	80,690	66,020
Income received from Job Retention Scheme	42,938	390,611
	<u>123,628</u>	<u>456,631</u>

TINSLEY BRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

6. Operating profit/(loss)

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

	2021	<i>2020</i>
	£	£
Depreciation of tangible fixed assets		
- owned by the Company	143,524	<i>173,932</i>
	<u>143,524</u>	<u><i>173,932</i></u>

7. Auditor's remuneration

The auditor's fee is met by Tinsley Bridge Group Limited in the current and prior year.

8. Employees

Staff costs were as follows:

	2021	<i>2020</i>
	£	£
Wages and salaries	2,712,958	<i>2,304,657</i>
Social security costs	250,780	<i>209,971</i>
Cost of defined contribution scheme	200,611	<i>193,631</i>
	<u>3,164,349</u>	<u><i>2,708,259</i></u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021	<i>2020</i>
	No.	No.
Production and maintenance	78	<i>76</i>
Administration, technical and support staff	14	<i>12</i>
	<u>92</u>	<u><i>88</i></u>

9. Directors' remuneration

Directors' fees are met by Tinsley Bridge Group Limited in the current and prior year.

TINSLEY BRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	8,860	16,108
Movement in fair value of derivative contracts	-	125,625
Interest payable to HMRC	4,226	3,891
	13,086	145,624
	13,086	145,624

11. Interest receivable and similar income

	2021 £	2020 £
Movement in fair value of derivative contracts	192,399	-
	192,399	-
	192,399	-

12. Taxation

	2021 £	2020 £
Corporation tax		
Adjustments in respect of previous periods	(4,035)	(1,611)
	(4,035)	(1,611)
Deferred tax		
Origination and reversal of timing differences	16,013	43,911
Adjustments in respect of prior periods	451	-
Effect of tax rate change on opening balance	(24,271)	(12,760)
	(7,807)	31,151
Total deferred tax	(7,807)	31,151
Taxation on (loss)/profit on ordinary activities	(11,842)	29,540
	(11,842)	29,540

TINSLEY BRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	737,413	(278,370)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	140,108	(52,890)
Effects of:		
Fixed asset differences	41	39
Expenses not deductible for tax purposes	110	496
Group relief surrendered/(claimed)	(32,831)	-
Adjustments to tax charge in respect of prior periods	(4,035)	(1,611)
Adjustments to tax charge in respect of prior periods - deferred tax	451	-
Adjustments in respect of withholding tax	(20,428)	(12,654)
Unrecognised deferred tax	(95,258)	96,160
Total tax charge for the year	(11,842)	29,540

Factors that may affect future tax charges

Tax losses carried forward not provided for amounted to £Nil (2020: £412,393).

TINSLEY BRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

13. Tangible fixed assets

	Plant and machinery £
Cost	
At 1 October 2020	3,889,896
Additions	86,035
Disposals	(14,999)
	3,960,932
At 30 September 2021	3,960,932
Depreciation	
At 1 October 2020	3,140,459
Charge for the year on owned assets	143,524
Disposals	(14,999)
	3,268,984
At 30 September 2021	3,268,984
Net book value	
At 30 September 2021	691,948
<i>At 30 September 2020</i>	749,437

14. Stocks

	2021 £	2020 £
Raw materials and consumables	826,572	654,393
Work in progress	290,799	270,071
Finished goods and goods for resale	110,559	123,609
	1,227,930	1,048,073

Inventories are stated after provisions for impairment of £6,602 (2020: £15,815).

TINSLEY BRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

15. Debtors

	2021 £	2020 £
Trade debtors	1,693,804	1,031,375
Amounts owed by group undertakings	-	13,968
Other debtors	125,051	-
Prepayments and accrued income	27,810	26,541
Financial instruments	117,396	-
VAT recoverable	44,262	161,149
Deferred taxation	85,117	77,310
Corporation tax repayable	4,036	1,611
	<u>2,097,476</u>	<u>1,311,954</u>

Trade debtors are stated after provisions for impairment of £Nil (2020: £29,871).

16. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	3,186,257	2,397,342
Less: bank overdrafts	(932,244)	(14,105)
	<u>2,254,013</u>	<u>2,383,237</u>

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	932,244	14,105
Trade creditors	1,812,570	1,476,809
Amounts owed to group undertakings	263,422	195,834
Other taxation and social security	190,600	455,059
Financial instruments	-	91,472
Accruals and deferred income	359,337	377,344
	<u>3,558,173</u>	<u>2,610,623</u>

TINSLEY BRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

18. Deferred taxation

	2021	2020
	£	£
At beginning of year	77,310	108,461
Credited to profit or loss	7,807	(31,151)
At end of year	85,117	77,310

The deferred tax asset is made up as follows:

	2021	2020
	£	£
Fixed asset timing differences	85,117	77,310

19. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
1,000 (2020 - 1,000) Ordinary shares of £1 each	1,000	1,000

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

20. Reserves**Profit & loss account**

Includes all current and prior period retained profits and losses.

21. Contingent liabilities

There is a cross guarantee between all companies of the Tinsley Bridge Group Limited group on all bank overdrafts with the Royal Bank of Scotland. As at 30 September 2021 the amount thus guaranteed by the Company was £2,760,069 (2020: £2,955,619).

22. Capital commitments

At 30 September 2021 the Company had no capital commitments.

TINSLEY BRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

23. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £200,612 (2020: £193,630). Contributions totalling £53,534 (2020: £52,162) were payable to the fund at the Statement of financial position date.

24. Commitments under operating leases

At 30 September 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	53,649	57,348
Later than 1 year and not later than 5 years	137,047	190,696
	190,696	248,044

25. Related party transactions

As a wholly owned subsidiary of Tinsley Bridge Group Limited, the Company is exempt from the requirements of FRS 102 to disclosure transactions with other members of the Group headed by Tinsley Bridge Group Limited.

26. Controlling party

The directors consider that the ultimate parent and undertaking of this Company is Tinsley Bridge Group Limited, a company incorporated in England and Wales.

Tinsley Bridge Group Limited is the Company's controlling related party by virtue of its 100% shareholding.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Tinsley Bridge Group Limited which is registered in England and Wales. Copies of the group accounts can be obtained at 335 Shepcote Lane, Sheffield, S9 1TG.

TINSLEY BRIDGE LIMITED

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	2021 £	2020 £
Turnover	13,116,395	9,455,411
Cost Of Sales	(10,555,003)	(7,862,253)
Gross profit	2,561,392	1,593,158
Other operating income	123,628	456,631
Less: overheads		
Administrative expenses	(781,116)	(775,842)
Other operating charges	(1,345,804)	(1,406,693)
Operating profit/(loss)	558,100	(132,746)
Interest receivable	192,399	-
Interest payable	(13,086)	(145,624)
Tax on profit/(loss) on ordinary activities	11,842	(29,540)
Profit/(Loss) for the year	749,255	(307,910)

TINSLEY BRIDGE LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	2021 £	2020 £
Turnover		
United Kingdom	3,249,962	2,734,158
Rest of Europe	9,535,689	6,464,471
Rest of the world	330,744	256,782
	<u>13,116,395</u>	<u>9,455,411</u>
	2021 £	2020 £
Cost of sales		
Direct manufacturing costs	8,028,246	5,755,904
Wages and salaries	2,192,069	1,816,822
National insurance	197,126	160,168
CoS staff pens costs - defined contribution scheme	137,562	129,359
	<u>10,555,003</u>	<u>7,862,253</u>
	2021 £	2020 £
Other operating income		
Grant and other income	80,690	66,020
Sundry income	42,938	390,611
	<u>123,628</u>	<u>456,631</u>
	2021 £	2020 £
Administrative expenses		
Staff salaries	520,889	487,835
Staff national insurance	53,654	49,803
Staff pension costs - defined contribution schemes	63,049	64,272
Depreciation - plant and machinery	143,524	173,932
	<u>781,116</u>	<u>775,842</u>
	2021 £	2020 £
Operating charges		
Other operating charges	1,345,804	1,406,693

TINSLEY BRIDGE LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	2021	<i>2020</i>
	£	£
Interest receivable		
Movement in fair value of derivative contracts	192,399	-
	2021	<i>2020</i>
	£	£
Interest payable		
Bank overdraft interest payable	8,860	<i>16,108</i>
Interest payable to HMRC	4,226	<i>3,891</i>
Movement in fair value of derivative contracts	-	<i>125,625</i>
	13,086	<i>145,624</i>
