

REGISTERED NUMBER: 00887366 (England and Wales)

**Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 May 2023
for
Superior Seals Limited**

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for the Year Ended 31 May 2023**

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Superior Seals Limited
Company Information
for the Year Ended 31 May 2023

DIRECTORS:

Mr T J Brown
Mr D A Brown

SECRETARY:

Mr T J Brown

REGISTERED OFFICE:

Nimrod Way
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SH

REGISTERED NUMBER:

00887366 (England and Wales)

AUDITORS:

Ward Goodman Audit Services Ltd
4 Cedar Park
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF

**Strategic Report
for the Year Ended 31 May 2023**

The directors present their strategic report for the year ended 31 May 2023.

The Directors in preparing this Strategic Report have complied with s414C of the Companies Act 2006.

REVIEW OF BUSINESS

The directors are satisfied with the performance of the company in the year under review and its financial position at the year end. The year to 31 May 2023 involved significant elements of economic uncertainty; including volatile energy and raw material pricing along with supply chain challenges fuelled by ongoing global events.

The key performance indicators used by the company are turnover and profit before taxation. Turnover for the year ended 31 May 2023 was £35m, compared to the previous year of £35.8m. During the year, the directors focussed on maintaining strong operational and financial management of the company in order to navigate the various market pressures, including a strong focus on cost control. As a result of this strategy the profit before taxation was £9m for the year ended 31 May 2023, with the prior year profit before taxation being £8.2m. Additionally, the balance sheet value shown in these accounts shows an improvement compared to the previous year.

The company has continued its strategy of providing excellent customer service to a diverse customer, industry and geographical base, which mitigates some business and economic risk. Supported by our approach of continuous innovation and improvement, we manufacture highly technical products in Dorset, UK. Being registered to ISO9001 and ISO14001, further demonstrates our commitment to producing and distributing products in a managed and environmentally responsible way.

Being privately owned and family managed allows the company the ability to focus on the long term view of the business as well as facilitating flexibility to adapt to the fluctuating demands of the current economic climate. We continue to apply a strategy of continuous reinvestment of earnings, with a focus on plant and machinery, research & development and energy efficiency.

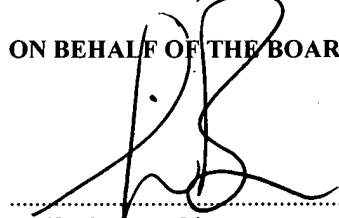
Sustainability and ESG principles as a whole are key considerations for our business, and we have invested into various areas including improving the environmental impact of our packaging, reducing waste from production, improving energy efficiency and continued investment into electrical vehicles for our fleet.

In a wider social responsibility context, we believe in supporting our community through our involvement with both local charitable organisations and schools. We place importance on education through the training of our existing staff, as well as our continued investment into our Apprenticeship scheme and Academy. We also strongly believe in providing a supportive and enjoyable work culture for the whole of the Superior team.

The directors will continue to monitor and react to the ongoing, challenging economic conditions and will continue to focus on controlling costs, with the hope for the future being a more globally stable environment.

The Company maintains a strong financial position enabling us to continue to balance addressing any business risks caused by outside factors such as exchange rates and supply chain uncertainties, whilst also continuing to invest in those areas which are most important to ensure the long term success of the business, as well as taking into consideration all of our environmental, social and corporate governance responsibilities.

ON BEHALF OF THE BOARD:



Mr T J Brown - Director

Date: 22.02.2024

**Report of the Directors
for the Year Ended 31 May 2023**

The directors present their report with the financial statements of the company for the year ended 31 May 2023.

PRINCIPAL ACTIVITY

The principal activities of the company are the manufacture and sale of elastomeric O rings and special mouldings. There have not been any significant changes in the principal activities.

DIVIDENDS

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with the parent company or other wholly owned subsidiaries within the group. Copies of the consolidated financial statements are available from Superior Group Limited, Nimrod Way, Ferndown Industrial Estate, Wimborne, Dorset, BH21 7SH.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2022 to the date of this report.

Mr T J Brown
Mr D A Brown

Other changes in directors holding office are as follows:

Mr M A Wallis - resigned 5 April 2023

CHARITABLE DONATIONS AND EXPENDITURE

During the year the following charitable donations were made:

£35,102 to Julia's House Limited, registered charity number 1067125
£29,031 to Dorset Community Foundation, registered charity number 1122113
£5,000 to Acts Fast, registered charity number 1157675
£4,987 to various other charities

DISCLOSURE IN THE STRATEGIC REPORT

In accordance with S414C certain matters which are required to be disclosed in the Report of the Directors have been omitted as they are included in the Strategic Report. These matters relate to the review of the business which includes reference to developments and financial performance as well as future prospects and the principal risks and uncertainties.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

**Report of the Directors
for the Year Ended 31 May 2023**

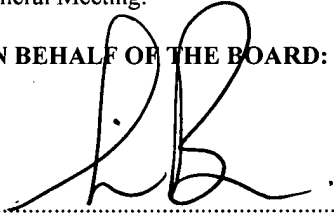
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Ward Goodman Audit Services Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



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Mr T J Brown - Director

Date: 22 . 02 . 2024

Report of the Independent Auditors to the Members of Superior Seals Limited

Opinion

We have audited the financial statements of Superior Seals Limited (the 'company') for the year ended 31 May 2023 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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 31 May 2023 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Report of the Independent Auditors to the Members of Superior Seals Limited

Matters on which we are required to report by exception

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 Report of the Directors.

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

- adequate accounting records have not been kept, 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

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditors' responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and the group and the sector in which they operate.
- We obtained an understanding of how the company and the group are complying with those legal and regulatory frameworks by making inquiries to the management and we corroborated our inquiries through our review of board reports.
- We assessed the susceptibility of the company and the group's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- o Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- o Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- o Challenging assumptions and judgments made by management in its significant accounting estimates;
- o Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- o Assessing the extent of compliance with the relevant law and regulations.

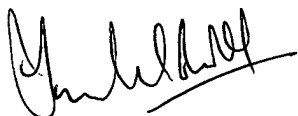
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**Report of the Independent Auditors to the Members of
Superior Seals 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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



I M Rodd BSc FCA FCCA (Senior Statutory Auditor)
for and on behalf of Ward Goodman Audit Services Ltd
4 Cedar Park
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF

Date: 22 February 2024

Superior Seals Limited (Registered number: 00887366)

**Income Statement
for the Year Ended 31 May 2023**

		2023		2022	
	Notes	£	£	£	£
TURNOVER	3		35,014,734		35,799,498
Cost of sales			24,891,536		25,126,741
GROSS PROFIT			10,123,198		10,672,757
Distribution costs		456,933		384,623	
Administrative expenses		1,726,114		2,071,991	
			2,183,047		2,456,614
			7,940,151		8,216,143
Other operating income			14,424		1,423
OPERATING PROFIT	5		7,954,575		8,217,566
Interest receivable and similar income			1,179,136		72,075
			9,133,711		8,289,641
Interest payable and similar expenses	6		89,307		130,020
PROFIT BEFORE TAXATION			9,044,404		8,159,621
Tax on profit	7		1,792,777		1,607,554
PROFIT FOR THE FINANCIAL YEAR			7,251,627		6,552,067

The notes form part of these financial statements

Superior Seals Limited (Registered number: 00887366)

**Other Comprehensive Income
for the Year Ended 31 May 2023**

	Notes	2023 £	2022 £
PROFIT FOR THE YEAR		7,251,627	6,552,067
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>7,251,627</u>	<u>6,552,067</u>

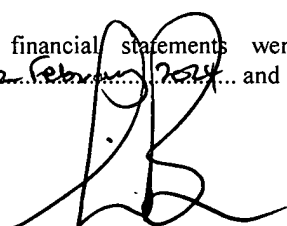
The notes form part of these financial statements

Superior Seals Limited (Registered number: 00887366)

Balance Sheet
31 May 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Intangible assets	9	-	26
Tangible assets	10	9,794,581	10,062,576
Investments	11	910	910
		<u>9,795,491</u>	<u>10,063,512</u>
CURRENT ASSETS			
Stocks	12	3,992,143	3,025,932
Debtors	13	9,530,452	9,737,756
Cash at bank and in hand		53,544,564	48,381,257
		<u>67,067,159</u>	<u>61,144,945</u>
CREDITORS			
Amounts falling due within one year	14	5,778,547	5,620,905
NET CURRENT ASSETS		<u>61,288,612</u>	<u>55,524,040</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>71,084,103</u>	<u>65,587,552</u>
CREDITORS			
Amounts falling due after more than one year	15	(1,167,928)	(2,425,640)
PROVISIONS FOR LIABILITIES	18	(1,003,022)	(753,701)
NET ASSETS		<u><u>68,913,153</u></u>	<u><u>62,408,211</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	90	90
Capital redemption reserve	20	110	110
Retained earnings	20	68,912,953	62,408,011
SHAREHOLDERS' FUNDS		<u><u>68,913,153</u></u>	<u><u>62,408,211</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 22 February 2024 and were signed on its behalf by:



Mr T J Brown - Director

The notes form part of these financial statements

Superior Seals Limited (Registered number: 00887366)

**Statement of Changes in Equity
for the Year Ended 31 May 2023**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 June 2021	90	56,602,398	110	56,602,598
Changes in equity				
Dividends	-	(746,454)	-	(746,454)
Total comprehensive income	-	6,552,067	-	6,552,067
Balance at 31 May 2022	90	62,408,011	110	62,408,211
Changes in equity				
Dividends	-	(746,685)	-	(746,685)
Total comprehensive income	-	7,251,627	-	7,251,627
Balance at 31 May 2023	90	68,912,953	110	68,913,153

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 May 2023

1. STATUTORY INFORMATION

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

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 33.7.

Significant judgements and estimates

In the application of the company's accounting policies, which are described below, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The most significant judgement required is regarding whether stock values are recoverable. The Directors use their knowledge of the business and consider the nature and condition of the stock to assess the necessary provision. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no areas that are considered to be key sources of estimation uncertainty.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Income relating to the sale of parts is recognised upon despatch of the goods.

Computer software

Amortisation is provided for on a straight line basis over 3 years in order to write off each asset over its estimated useful life.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold property	- Straight line over 50 years
Plant and machinery	- Straight line over 7-10 years
Fixtures and fittings	- 25% on reducing balance and straight line over 3-5 years
Motor vehicles	- 25% on reducing balance

During the year the directors reviewed the useful economic lives of the asset classes and the subsequent depreciation policies. It was decided that a majority of the machines within plant and machinery were in use after 7 years and that these should be depreciated at 10 years straight line. This is a change in accounting estimate from this year, therefore the assets affected are showing depreciation at a lower amount than the comparative period.

**Notes to the Financial Statements - continued
for the Year Ended 31 May 2023**

2. ACCOUNTING POLICIES - continued

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

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

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Research and development

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

Foreign currencies

Bank balances in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. These assets are depreciated over their estimated useful economic lives.

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

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

Pension costs and other post-retirement benefits

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

Notes to the Financial Statements - continued
for the Year Ended 31 May 2023

2. ACCOUNTING POLICIES - continued

Website development costs

Design and content development costs are capitalised only to the extent that they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised. If there is insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated in the period until the design and content are next updated, the costs of developing the design and content are charged to the profit and loss account as incurred.

Debtors

Short term debtors are measured at the transaction price, less any provisions for amounts considered irrecoverable.

Creditors

Short term trade creditors are measured at the transaction price.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2023 £	2022 £
UK	12,708,876	13,511,143
EC	16,562,941	16,217,987
Outside EC	5,742,917	6,070,368
	<u>35,014,734</u>	<u>35,799,498</u>

4. EMPLOYEES AND DIRECTORS

	2023 £	2022 £
Wages and salaries	5,948,597	5,893,292
Social security costs	584,129	563,140
Other pension costs	140,139	143,752
	<u>6,672,865</u>	<u>6,600,184</u>

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

	2023	2022
Management and administration	26	34
Production	71	72
Sales and distribution	37	26
	<u>134</u>	<u>132</u>

	2023 £	2022 £
Directors' remuneration	677,701	675,947
Directors' pension contributions to money purchase schemes	17,775	22,956
	<u>695,476</u>	<u>698,903</u>

Superior Seals Limited (Registered number: 00887366)

**Notes to the Financial Statements - continued
for the Year Ended 31 May 2023**

4. EMPLOYEES AND DIRECTORS - continued

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

Money purchase schemes	<u>3</u>	<u>3</u>
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Information regarding the highest paid director is as follows:

	2023	2022
	£	£
Emoluments etc	289,314	299,695
Pension contributions to money purchase schemes	<u>14,077</u>	<u>19,500</u>

5. OPERATING PROFIT

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

	2023	2022
	£	£
Depreciation - owned assets	832,775	1,485,523
Depreciation - assets on hire purchase contracts	705,920	1,189,028
(Profit)/loss on disposal of fixed assets	(18,525)	63,151
Computer software amortisation	26	399
Auditors' remuneration	13,125	12,500
Foreign exchange differences	(104,681)	54,780
Auditors remuneration for non audit work	<u>2,205</u>	<u>2,100</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Corporation tax interest	-	681
Directors loan interest	1,310	556
Hire purchase	<u>87,997</u>	<u>128,783</u>
	<u>89,307</u>	<u>130,020</u>

7. TAXATION

Analysis of the tax charge

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

	2023	2022
	£	£
Current tax:		
UK corporation tax	1,543,456	1,307,595
Deferred tax	<u>249,321</u>	<u>299,959</u>
Tax on profit	<u>1,792,777</u>	<u>1,607,554</u>

Notes to the Financial Statements - continued
for the Year Ended 31 May 2023

7. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

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

	2023 £	2022 £
Profit before tax	9,044,404	8,159,621
Profit multiplied by the standard rate of corporation tax in the UK of 20.003% (2022 - 19%)	1,809,152	1,550,328
Effects of:		
Income not taxable for tax purposes	(527)	-
Capital allowances in excess of depreciation	(243,534)	(237,997)
Expenses not deductible for tax purposes	3,520	3,300
Loss /(Profit) on disposal of fixed assets	(3,706)	11,999
Enhancement of R & D expenditure	(21,449)	(20,035)
Deferred tax	249,321	299,959
Total tax charge	1,792,777	1,607,554

8. **DIVIDENDS**

	2023 £	2022 £
Ordinary shares of £1 each		
Interim	746,685	746,454

9. **INTANGIBLE FIXED ASSETS**

	Computer software £
COST	
At 1 June 2022	
and 31 May 2023	161,503
AMORTISATION	
At 1 June 2022	161,477
Amortisation for year	26
At 31 May 2023	161,503
NET BOOK VALUE	
At 31 May 2023	-
At 31 May 2022	26

Notes to the Financial Statements - continued
for the Year Ended 31 May 2023

10. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 June 2022	619,874	40,871,315	1,253,782	477,383	43,222,354
Additions	-	915,176	184,464	217,213	1,316,853
Disposals	-	(180,972)	-	(205,201)	(386,173)
At 31 May 2023	619,874	41,605,519	1,438,246	489,395	44,153,034
DEPRECIATION					
At 1 June 2022	86,106	31,852,233	987,495	233,944	33,159,778
Charge for year	3,958	1,376,100	93,198	65,439	1,538,695
Eliminated on disposal	-	(168,852)	-	(171,168)	(340,020)
At 31 May 2023	90,064	33,059,481	1,080,693	128,215	34,358,453
NET BOOK VALUE					
At 31 May 2023	529,810	8,546,038	357,553	361,180	9,794,581
At 31 May 2022	533,768	9,019,082	266,287	243,439	10,062,576

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 June 2022	12,461,285	198,619	12,659,904
Transfer to ownership	(6,392,241)	-	(6,392,241)
At 31 May 2023	6,069,044	198,619	6,267,663
DEPRECIATION			
At 1 June 2022	4,380,311	35,440	4,415,751
Charge for year	665,124	40,796	705,920
Transfer to ownership	(3,325,900)	-	(3,325,900)
At 31 May 2023	1,719,535	76,236	1,795,771
NET BOOK VALUE			
At 31 May 2023	4,349,509	122,383	4,471,892
At 31 May 2022	8,080,974	163,179	8,244,153

Superior Seals Limited (Registered number: 00887366)

**Notes to the Financial Statements - continued
for the Year Ended 31 May 2023**

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 June 2022 and 31 May 2023	910
NET BOOK VALUE	
At 31 May 2023	910
At 31 May 2022	910

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

Superior Seals B.V

Registered office: Concertgebouwplein 15-H, 1071 LL Amsterdam, The Netherlands.

Nature of business: Non trading

	%		
Class of shares:	holding		
Ordinary	100.00		
		2023	2022
		£	£
Aggregate capital and reserves		910	910

12. STOCKS

	2023	2022
	£	£
Raw materials	819,833	646,089
Finished goods for resale	3,061,550	2,265,283
Work-in-progress	110,760	114,560
	<u>3,992,143</u>	<u>3,025,932</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	7,883,041	8,360,437
VAT	433,378	226,639
Tax	53,951	292,406
Prepayments and accrued income	1,160,082	858,274
	<u>9,530,452</u>	<u>9,737,756</u>

Notes to the Financial Statements - continued
for the Year Ended 31 May 2023

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Hire purchase contracts (see note 16)	1,257,712	1,629,196
Trade creditors	2,153,456	1,747,138
Amounts owed to group undertakings	1,366,829	1,274,792
Social security and other taxes	147,727	145,921
VAT	120,444	94,034
Directors' current accounts	51,866	19,541
Accruals and deferred income	680,513	710,283
	<u>5,778,547</u>	<u>5,620,905</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Hire purchase contracts (see note 16)	<u>1,167,928</u>	<u>2,425,640</u>

16. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2023	2022
	£	£
Gross obligations repayable:		
Within one year	1,322,828	1,714,596
Between one and five years	1,234,876	2,557,704
	<u>2,557,704</u>	<u>4,272,300</u>
Finance charges repayable:		
Within one year	65,116	85,400
Between one and five years	66,948	132,064
	<u>132,064</u>	<u>217,464</u>
Net obligations repayable:		
Within one year	1,257,712	1,629,196
Between one and five years	1,167,928	2,425,640
	<u>2,425,640</u>	<u>4,054,836</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2023	2022
	£	£
Hire purchase contracts	<u>2,425,640</u>	<u>4,054,836</u>

Obligations under hire purchase contracts are secured by fixed charges on the assets concerned.

Superior Seals Limited (Registered number: 00887366)

**Notes to the Financial Statements - continued
for the Year Ended 31 May 2023**

18. PROVISIONS FOR LIABILITIES

	2023 £	2022 £
Deferred tax	<u>1,003,022</u>	<u>753,701</u>
		Deferred tax £
Balance at 1 June 2022		753,701
Accelerated capital allowances		<u>249,321</u>
Balance at 31 May 2023		<u><u>1,003,022</u></u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2023 £	2022 £
Number:	Class:	Nominal value:		
90	Ordinary	£1	<u>90</u>	<u>90</u>

20. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 June 2022	62,408,011	110	62,408,121
Profit for the year	7,251,627		7,251,627
Dividends	(746,685)		(746,685)
At 31 May 2023	<u>68,912,953</u>	<u>110</u>	<u>68,913,063</u>

21. PENSION COMMITMENTS

The company contributes to various pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £140,139 (2022 - £143,752). Contributions totalling £27,294 (2022 - £25,937) were payable to the funds at the balance sheet date and are included within creditors.

22. CAPITAL COMMITMENTS

	2023 £	2022 £
Contracted but not provided for in the financial statements	<u>405,230</u>	<u>689,992</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 May 2023**

23. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with the parent company or other wholly owned subsidiaries within the group. Copies of the consolidated financial statements are available from Superior Group Limited, Nimrod Way, Ferndown Industrial Estate, Wimborne, Dorset, BH21 7SH.

During the year, interest of £1,310 (2022 - £556) was payable to the director, T J Brown, on his loan account.

Included within creditors is a balance of £51,866 (2022 - £19,541) owed by the company to the director, T J Brown.

Key management personnel are considered to be the directors. Their remuneration is disclosed in note 4.

24. ULTIMATE CONTROLLING PARTY

The ultimate parent company is Superior Group Limited, a company registered in England and Wales, which is controlled by T J Brown.