

Company Registration No. 03301620 (England and Wales)

**A C VALVES & CONTROLS LIMITED**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2022**

# A C VALVES & CONTROLS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J M Calvert N A Flint J M Findell S G Plant
<b>Secretary</b>	J M Calvert
<b>Company number</b>	03301620
<b>Registered office</b>	Unit 6, Interlink Way South Bardon Hill Coalville Leicestershire LE67 1PH
<b>Auditor</b>	Newby Castleman LLP West Walk Building 110 Regent Road Leicester LE1 7LT
<b>Business address</b>	Unit 6, Interlink Way South Bardon Hill Coalville Leicestershire LE67 1PH

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# A C VALVES & CONTROLS LIMITED

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# A C VALVES & CONTROLS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

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The directors present the strategic report for the year ended 31 March 2022.

#### **Fair review of the business**

The directors aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. The review is consistent with the size and non-complex nature of the business and is written in the context of the risks and uncertainties that the company faces.

The principal activity of the company is that of the sale of valves and actuators.

The key financial performance indicator is that which communicates the financial performance and strength of the company as a whole, being turnover. The company's turnover during the year has increased to £9,107,263 (2021: £6,459,496). There has been an increase in the company's operating profit to £1,408,892 (2021: £729,834). After taxation and dividends, £1,211,792 has been added to the company reserves.

The principal risks and uncertainties of the company are continually monitored by the directors, who seek to mitigate any such risks. The key business risks affecting the company are considered to be fluctuations in oil prices, competition, and the global economic environment.

The company undertakes transactions in sterling, US Dollars and Euros and is therefore subject to movements in foreign exchange rates.

Many of the recent changes in legislation and regulation have been fuelled by Brexit. Implications for this business as we import and export internationally have been far-reaching, with financial pressures resulting from a raft of new paperwork and tariff measures. However, strategies have been adopted to manage what are likely to be problematic issues for the foreseeable future.

The COVID-19 pandemic has forced our business to adapt working practices to digital and remote models which could lead to an increase in cyber-attacks, however we have reduced the likelihood of a cyber-attack through various means, such as training and awareness programmes, and by putting policies in place around passwords and general cyber safety and reporting.

Moving forward we have begun to make investments in people to ensure that we can maintain our level of customer service and technical knowledge. We have also invested in equipment to allow the business to grow further in the future. Our order book for the next financial year is looking healthy.

Considering the challenging business environment, the results for the year and the position of the company at the year end were considered to be satisfactory by the directors, who believe that the company is well placed to react quickly to changes in trading conditions and to take advantage of any business opportunities that may arise.  
On behalf of the board

J M Calvert  
**Director**

22 November 2022

# A C VALVES & CONTROLS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

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The directors present their report and financial statements for the year ended 31 March 2022.

#### Results and dividends

The results for the year are set out on page 6.

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

#### Directors

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

J M Calvert  
N A Flint  
J M Findell  
S G Plant

#### Statement of directors' responsibilities

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

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

#### Statement of disclosure to auditor

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

On behalf of the board

J M Calvert  
Director

22 November 2022

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# A C VALVES & CONTROLS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF A C VALVES & CONTROLS LIMITED

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#### Opinion

We have audited the financial statements of A C Valves & Controls Limited (the 'company') for the year ended 31 March 2022 which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 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

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

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

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

# A C VALVES & CONTROLS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF A C VALVES & CONTROLS LIMITED

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#### **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 and the Directors' Report.

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

- adequate accounting records have not been kept, 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. However, responsibility for the prevention and detection of fraud ultimately rests with both those charged with governance and management of the company.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- obtaining an understanding of the legal and regulatory framework applicable to the company by considering the nature of the industry in which the company operates and enquiring of management; and
- identifying the key laws and regulations considered to have a direct impact on the financial statements including the UK Companies Act 2006, UK Generally Accepted Accounting Practice and UK tax legislation; and

## **A C VALVES & CONTROLS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF A C VALVES & CONTROLS LIMITED**

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- assessing how the company is complying with the applicable legal and regulatory framework by making further enquiries of management and observing the company's control environment regarding compliance with regulations and fraud prevention; and
- assessing the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by considering the effectiveness of the company's accounting systems and controls and how these were monitored by management. Performance related targets and bonuses were also considered. Where the risk of material misstatement was considered to be higher in certain areas, further audit procedures were designed to address this increased risk; and
- discussing amongst the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.

#### **Audit response to risks identified**

Our procedures to respond to risks identified included the following:

- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- enquiry of company staff responsible for compliance to identify any instances of non-compliance with laws and regulations; and
- enquiry of management, those charged with governance and other relevant parties around actual and potential litigation claims; and
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- communicating identified laws and regulations and potential fraud risks to all engagement team members and assessing whether there are any indications of fraud or non-compliance with laws and regulations throughout the audit

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 is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%e2%80%99s-resp>  
This description forms part of our auditor's report.

#### **Use of our report**

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

**John Griffin FCCA (Senior Statutory Auditor)**

**For and on behalf of Newby Castleman LLP**

Chartered Accountants

Statutory Auditor

West Walk Building

110 Regent Road

Leicester

LE1 7LT

24 November 2022

## A C VALVES & CONTROLS LIMITED

### STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
	Notes	£	£
<b>Turnover</b>	<b>3</b>	9,107,263	6,459,496
Cost of sales		(6,514,261)	(4,900,164)
		<u>2,593,002</u>	<u>1,559,332</u>
<b>Gross profit</b>		2,593,002	1,559,332
Administrative expenses		(1,763,624)	(1,454,019)
Other operating income		579,514	624,521
		<u>1,408,892</u>	<u>729,834</u>
<b>Operating profit</b>	<b>5</b>	1,408,892	729,834
Income from shares in group undertakings	<b>8</b>	22,500	377,500
Interest receivable and similar income	<b>8</b>	449	919
Interest payable and similar expenses	<b>9</b>	-	(69)
Amounts written off investments / loans	<b>4</b>	-	(208,981)
		<u>1,431,841</u>	<u>899,203</u>
<b>Profit before taxation</b>		1,431,841	899,203
Taxation	<b>10</b>	(220,049)	(100,921)
		<u>1,211,792</u>	<u>798,282</u>
<b>Profit for the financial year</b>		1,211,792	798,282
Retained earnings brought forward		4,890,506	4,567,224
Dividends	<b>11</b>	-	(475,000)
		<u>6,102,298</u>	<u>4,890,506</u>
Retained earnings carried forward		<u>6,102,298</u>	<u>4,890,506</u>

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

# A C VALVES & CONTROLS LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2022

		2022		2021	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		410,651		279,683
Investments	13		1,986,170		1,983,779
			<u>2,396,821</u>		<u>2,263,462</u>
<b>Current assets</b>					
Stocks	14	1,139,449		939,413	
Debtors	15	2,899,422		2,271,931	
Cash at bank and in hand		1,065,163		1,358,049	
		<u>5,104,034</u>		<u>4,569,393</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(1,350,992)</u>		<u>(1,911,763)</u>	
<b>Net current assets</b>			<u>3,753,042</u>		<u>2,657,630</u>
<b>Total assets less current liabilities</b>			<u>6,149,863</u>		<u>4,921,092</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	17	47,465		30,486	
		<u>(47,465)</u>		<u>(30,486)</u>	
<b>Net assets</b>			<u>6,102,398</u>		<u>4,890,606</u>
<b>Capital and reserves</b>					
Called up share capital	19		100		100
Profit and loss reserves	20		6,102,298		4,890,506
<b>Total equity</b>			<u>6,102,398</u>		<u>4,890,606</u>

The financial statements were approved by the board of directors and authorised for issue on 22 November 2022 and are signed on its behalf by:

J M Findell  
Director

Company Registration No. 03301620

# A C VALVES & CONTROLS LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	24		(40,614)	1,479,869	
Interest paid			-		(69)
Income taxes paid			(82,372)		(200,870)
			<u>          </u>		<u>          </u>
<b>Net cash (outflow)/inflow from operating activities</b>			(122,986)	1,278,930	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(195,458)		(137,044)	
Proceeds on disposal of tangible fixed assets		5,000		-	
Purchase of subsidiaries		(2,391)		(1,211,467)	
Interest received		449		919	
Dividends received		22,500		377,500	
		<u>          </u>		<u>          </u>	
<b>Net cash used in investing activities</b>			(169,900)		(970,092)
<b>Financing activities</b>					
Dividends paid		-		(475,000)	
		<u>          </u>		<u>          </u>	
<b>Net cash used in financing activities</b>			-		(475,000)
<b>Net decrease in cash and cash equivalents</b>			(292,886)		(166,162)
Cash and cash equivalents at beginning of year			1,358,049		1,524,211
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			<u>1,065,163</u>		<u>1,358,049</u>

# A C VALVES & CONTROLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

##### Company information

A C Valves & Controls Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 6, Interlink Way South, Bardon Hill, Coalville, Leicestershire. LE67 1PH.

#### 1.1 Basis of preparation

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### 1.2 Going concern

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

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods supplied in the normal course of business, and is shown net of VAT and trade discounts. Turnover is recognised on the date that the goods are despatched as this is the point that all risks and rewards are deemed to be transferred.

#### 1.4 Tangible fixed assets

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

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

Leasehold improvements	10% per annum of cost
Plant and machinery	15% per annum of cost
Fixtures, fittings & computer equipment	25% per annum of cost
Motor vehicles	25% per annum of cost

#### 1.5 Fixed asset investments

Interests in subsidiaries are measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct material costs. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

#### 1.7 Financial instruments

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

Debtors and creditors with no stated interest rate and receivable or payable within one year are measured at transaction price. Any losses arising from impairment are recognised in the profit and loss account.

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# A C VALVES & CONTROLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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**1 Accounting policies** **(Continued)**

**1.8 Taxation**

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

**Current tax**

The tax currently payable is based on taxable profit for the year. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**Deferred tax**

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

**1.9 Employee benefits**

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

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

**1.10 Retirement benefits**

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

**1.11 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to the profit and loss account on a straight line basis over the term of the relevant lease.

**1.12 Foreign exchange**

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

**1.13 Group accounts**

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

A C Valves & Controls Limited is a wholly owned subsidiary of The Valve & Actuation Group Limited and the results of A C Valves & Controls Limited are included in the consolidated financial statements of The Valve & Actuation Group Limited which are available from Companies House.

The registered address of The Valve & Actuation Group Limited is the same as the company's registered office address as given in the company information page of these financial statements.

# A C VALVES & CONTROLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 2 Judgements and key sources of estimation uncertainty

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

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

There are not considered to be any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

#### 3 Turnover and other revenue

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

	2022	2021
	£	£
<b>Turnover</b>		
Sale of goods	9,107,263	6,459,496
	<u>                    </u>	<u>                    </u>
	2022	2021
	£	£
<b>Other revenue</b>		
Interest income	449	919
Dividends received	22,500	377,500
	<u>                    </u>	<u>                    </u>
	2022	2021
	£	£
<b>Turnover analysed by geographical market</b>		
Overseas	5,737,576	1,744,064
UK	3,369,687	4,715,432
	<u>                    </u>	<u>                    </u>
	9,107,263	6,459,496
	<u>                    </u>	<u>                    </u>

#### 4 Exceptional item

	2022	2021
	£	£
<b>Expenditure</b>		
Amounts written off investments in subsidiaries	-	208,981
	<u>                    </u>	<u>                    </u>
	-	208,981
	<u>                    </u>	<u>                    </u>

The company classifies certain one-off charges and credits which have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

# A C VALVES & CONTROLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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<b>5 Operating profit</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	104,260	13,101
Fees payable to the company's auditor for the audit of the company's financial statements	8,850	8,045
Depreciation of owned tangible fixed assets	73,104	42,660
(Profit)/loss on disposal of tangible fixed assets	(13,614)	880
Operating lease charges	400,978	400,978
	<u>          </u>	<u>          </u>

### **6 Employees**

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

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Directors	4	4
Sales and administration	10	10
	<u>          </u>	<u>          </u>
Total	14	14
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	605,129	591,643
Social security costs	72,015	70,580
Pension costs	112,231	109,714
	<u>          </u>	<u>          </u>
	789,375	771,937
	<u>          </u>	<u>          </u>

### **7 Directors' remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	410,299	386,810
Company pension contributions to defined contribution schemes	123,750	122,000
	<u>          </u>	<u>          </u>
	534,049	508,810
	<u>          </u>	<u>          </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2021 - 5).

# A C VALVES & CONTROLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 7 Directors' remuneration (Continued)

Remuneration disclosed above includes the following amounts paid by subsidiary undertakings:

	2022	2021
	£	£
Remuneration for qualifying services	123,647	111,881
Company pension contributions to defined contribution schemes	32,000	32,000
	<u>          </u>	<u>          </u>

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

	2022	2021
	£	£
Remuneration for qualifying services	141,381	130,048
Company pension contributions to defined contribution schemes	36,000	36,000
	<u>          </u>	<u>          </u>

### 8 Interest receivable and similar income

	2022	2021
	£	£
<b>Interest income</b>		
Interest on bank deposits	77	919
Other interest income	372	-
	<u>          </u>	<u>          </u>
Total interest revenue	449	919
<b>Income from fixed asset investments</b>		
Income from shares in group undertakings	22,500	377,500
	<u>          </u>	<u>          </u>
Total income	22,949	378,419
	<u>          </u>	<u>          </u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	77	919
	<u>          </u>	<u>          </u>

### 9 Interest payable and similar expenses

	2022	2021
	£	£
<b>Other finance costs:</b>		
Other interest	-	69
	<u>          </u>	<u>          </u>

# A C VALVES & CONTROLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 10 Taxation

	2022	2021
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	203,070	82,847
<b>Deferred tax</b>		
Origination and reversal of timing differences	16,979	18,074
Total tax charge	<u>220,049</u>	<u>100,921</u>

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

	2022	2021
	£	£
Profit before taxation	<u>1,431,841</u>	<u>899,203</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	272,050	170,849
Tax effect of expenses that are not deductible in determining taxable profit	6,121	39,930
Tax effect of income not taxable in determining taxable profit	(4,275)	(71,725)
Group relief	(65,651)	(38,710)
Depreciation on assets not qualifying for tax allowances	1,810	577
Super deduction relief	(1,397)	-
Remeasurement of deferred tax rate	11,391	-
Taxation charge for the year	<u>220,049</u>	<u>100,921</u>

#### 11 Dividends

	2022	2021
	£	£
Ordinary paid	<u>-</u>	<u>475,000</u>

# A C VALVES & CONTROLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

12 Tangible fixed assets	Leasehold improvements	Plant and machinery	Fixtures, fittings & computer equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2021	106,375	305,852	199,072	60,070	671,369
Additions	124,636	26,584	14,618	46,110	211,948
Disposals	-	-	-	(60,070)	(60,070)
At 31 March 2022	<u>231,011</u>	<u>332,436</u>	<u>213,690</u>	<u>46,110</u>	<u>823,247</u>
<b>Depreciation and impairment</b>					
At 1 April 2021	9,764	238,857	90,871	52,194	391,686
Depreciation charged in the year	14,481	13,394	34,080	11,149	73,104
Eliminated in respect of disposals	-	-	-	(52,194)	(52,194)
At 31 March 2022	<u>24,245</u>	<u>252,251</u>	<u>124,951</u>	<u>11,149</u>	<u>412,596</u>
<b>Carrying amount</b>					
At 31 March 2022	<u>206,766</u>	<u>80,185</u>	<u>88,739</u>	<u>34,961</u>	<u>410,651</u>
At 31 March 2021	<u>96,611</u>	<u>66,995</u>	<u>108,201</u>	<u>7,876</u>	<u>279,683</u>
<b>13 Fixed asset investments</b>				<b>2022</b>	<b>2021</b>
			<b>Notes</b>	<b>£</b>	<b>£</b>
Investments in subsidiaries		<b>23</b>		<u>1,986,170</u>	<u>1,983,779</u>
<b>Movements in fixed asset investments</b>					<b>Shares in group undertakings £</b>
<b>Cost or valuation</b>					
At 1 April 2021					2,192,760
Valuation changes					2,391
At 31 March 2022					<u>2,195,151</u>
<b>Impairment</b>					
At 1 April 2021 & 31 March 2022					<u>208,981</u>
<b>Carrying amount</b>					
At 31 March 2022					<u>1,986,170</u>
At 31 March 2021					<u>1,983,779</u>

# A C VALVES & CONTROLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

<b>14 Stocks</b>		
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	1,139,449	939,413
	<u>          </u>	<u>          </u>

<b>15 Debtors</b>		
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	1,752,253	1,090,137
Corporation tax recoverable	57,525	-
Amount owed by parent undertaking	75,968	67,468
Amounts owed by fellow group undertakings	328,436	449,382
Other debtors	641,961	622,577
Prepayments and accrued income	43,279	42,367
	<u>          </u>	<u>          </u>
	<u>2,899,422</u>	<u>2,271,931</u>

<b>16 Creditors: amounts falling due within one year</b>		
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	686,395	625,356
Amounts due to subsidiary undertakings	368,900	478,593
Corporation tax	181,070	2,847
Other taxation and social security	17,420	98,345
Other creditors	-	574,533
Accruals and deferred income	97,207	132,089
	<u>          </u>	<u>          </u>
	<u>1,350,992</u>	<u>1,911,763</u>

### 17 Deferred taxation

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

	<b>Liabilities</b>	<b>Liabilities</b>
	<b>2022</b>	<b>2021</b>
<b>Balances:</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	47,465	30,486
	<u>          </u>	<u>          </u>

# A C VALVES & CONTROLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 17 Deferred taxation (Continued)

**2022**  
**£**

**Movements in the year:**

Liability at 1 April 2021 30,486  
Charge to profit or loss 16,979

Liability at 31 March 2022 47,465

#### 18 Retirement benefit schemes

**2022**                      **2021**  
**Defined contribution schemes**                      **£**                      **£**

Charge to profit or loss in respect of defined contribution schemes 112,231 109,714

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### 19 Share capital

	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Ordinary share capital</b>	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

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

#### 20 Profit and loss reserves

This reserve comprises cumulative profits and losses net of dividends.

#### 21 Operating lease commitments

**Lessee**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Within one year	400,978	400,978
Between two and five years	1,436,179	1,495,379
In over five years	650,417	992,195
	<u>2,487,574</u>	<u>2,888,552</u>

# A C VALVES & CONTROLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 22 Related party transactions

#### Transactions with related parties

During the year dividends of £22,500 (2021 - £377,500) were received from subsidiary undertakings.

During the year dividends of £Nil (2021 - £475,000) were paid to the parent undertaking.

During the year sales totalling £244,445 (2021 - £247,174) and recharges totalling £506,123 (2021 - £525,465) were made to and purchases totalling £2,263,615 (2021 - £1,613,937) were made from subsidiary undertakings not wholly owned by the entity.

During the year rent of £400,978 (2021 - £400,978) was paid to entities under the control of key management personnel.

At the year-end, other debtors includes £637,065 (2021 - £616,827) owed by an entity under the control of key management personnel.

During the year, the company and its parent undertaking have guaranteed the bank borrowings of an entity under the control of key management personnel totalling £1,251,585 (2021 - £1,450,000). The guarantee is secured by a fixed and floating charge over the assets of both companies.

The company has taken advantage of the exemption offered by FRS 102 from the requirement to disclose transactions between wholly owned group companies.

### 23 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Air Torque (UK) Limited	England and Wales	Distribution of valves and actuators	Ordinary	50.00
Starline Ball Valves Limited	England and Wales	Supply of ball valves	Ordinary	70.00
Technical Valve Services Limited	England and Wales	Provision of technical services to the engineering valve industry	Ordinary	100.00
The Valve Alliance Limited	England and Wales	Sale of valves	Ordinary	100.00
Valve & Pipework Systems Limited	England and Wales	Manufacture of skid units and the supply of valves	Ordinary	65.00
Nacional Safety Valves Limited	England and Wales	Sale of valves	Ordinary	80.00

The registered address of the above subsidiaries is the same as the company's registered office address as given in the company information page of these financial statements.

## A C VALVES & CONTROLS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

<b>24</b>	<b>Cash generated from operations</b>	<b>2022</b> £	<b>2021</b> £
	Profit for the year after tax	1,211,792	798,282
	<b>Adjustments for:</b>		
	Taxation charged	220,049	100,921
	Finance costs	-	69
	Investment income	(22,949)	(378,419)
	(Gain)/loss on disposal of tangible fixed assets	(13,614)	880
	Depreciation and impairment of tangible fixed assets	73,104	42,660
	Impairment of investments	-	208,981
	<b>Movements in working capital:</b>		
	(Increase) in stocks	(200,036)	(92,604)
	(Increase)/decrease in debtors	(569,966)	1,262,771
	(Decrease) in creditors	(738,994)	(463,672)
	<b>Cash (absorbed by)/generated from operations</b>	<u>(40,614)</u>	<u>1,479,869</u>
<b>25</b>	<b>Analysis of changes in net funds</b>	<b>1 April 2021</b> £	<b>Cash flows 31 March 2022</b> £
	Cash at bank and in hand	1,358,049	(292,886)
		<u>1,358,049</u>	<u>1,065,163</u>

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