

# **Winder Power Limited**

Registered number: 05446559

## **Annual report and financial statements**

**For the year ended 31 March 2023**

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# WINDER POWER LIMITED

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## COMPANY INFORMATION

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<b>Directors</b>	P D Matthews A G Mill A P Pinkney D P Crossland (resigned 22 June 2023) M C Henson (appointed 29 June 2023)
<b>Company secretary</b>	A G Mill
<b>Registered number</b>	05446559
<b>Registered office</b>	Grangefield House Richardshaw Road Leeds Pudsey LS28 6QS
<b>Independent auditor</b>	Mazars LLP Chartered Accountants & Statutory Auditor 5th Floor 3 Wellington Place Leeds LS1 4AP
<b>Bankers</b>	HSBC Bank PLC 33 Park Row Leeds LS1 1LD

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# WINDER POWER LIMITED

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# WINDER POWER LIMITED

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## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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### Introduction

The directors present their Strategic Report for the year ended 31 March 2023.

### Principal activity

The Company's principal activities are:

- the design, manufacture, supply, installation and maintenance of electrical transformers and power distribution apparatus, and
- the design and manufacture of power generation equipment and rotating electrical machines.

### Business review

The Statement of Comprehensive Income is set out on page 11 and shows turnover for the year of £24.0m (2022: £15.4m). The Company made an operating profit of £861k (2022: £250k) for the year.

Turnover was higher in the year due to a number of factors. The business has developed a new division (Winder Grid) which provides a turnkey solution to customers looking for Grid sized transformers (132kV and above in Voltage), this brings together all of our expertise in design, logistics and installation to our customers for larger transformers. Winder Grid was able to assist new and existing customers in the year while orders from the existing divisions all grew during the year, however while Gross Margin in transformers grew in the year the lower margin for the Winder Grid division brought down the overall Gross Margin of the Company. The Company's customers are predominantly based in the UK and the desire to decarbonize the UK economy is largely seen as being delivered through electrification. Winder Power delivers energy through its transformers and as the UK is expected to double its electricity usage by the late 2030's then the Company is well placed to be a part of this Net Zero revolution.

The UK Distribution Network Operators (DNO's), the regional monopolies controlled by Ofgem to deliver power from producers to end customers, continue to be the largest purchasers of transformers and related services in the UK. 2023 was the beginning of a new eight year price control period (RIIO ED2) for the DNOs; while the orders can fluctuate annually the visibility of the contracted spend over the framework term is good. Within ED2 a significant increase in spend has been agreed for all the UK DNO's, this is to help the UK prepare for electrification and decarbonization of the UK economy. An example of this is Electric Vehicle charging, as at November 2023 there are less than 55,000 vehicle chargers in the UK. However it is estimated that 4.5m will be required in London and the South East alone by 2030. This is a huge increase in the power required to be delivered across the distribution network and its transformers. During the year the DNO's also accelerated spending on green projects through specific additional government funding which benefited the business.

The Company entered into new framework agreements with National Grid Electricity Distribution in April 2021 and Scottish Power Energy Networks in November 2023. The success and renewal of these framework agreements highlight the focus on quality and value for money delivered by the Company. The Company has continued to be successful in securing long term contracts, primarily with the DNOs in the UK, where the business now has agreements in place with 6 of the 7 UK DNO's. This represents a strong opportunity to increase turnover and profitability over the coming years as the requirement for additional electrical distribution infrastructure increases. Winder Power has more long-term framework agreements of 33/11kV transformer than any other company, putting it in a unique position to take advantage of the increased spend forecast by the DNO's.

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# WINDER POWER LIMITED

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## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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The Company has continued to place health and safety at the heart of its activities. At 31 March 2023 the business had operated for over 10 years and 5 months without a lost time or reportable accident. This positive trend has continued into the new financial year. Our board recognises the very significant effort which the Company's employees have made in achieving these health and safety milestones. These efforts have been recognised externally with Winder Power Limited being presented with a Gold Award from the Royal Society for the Prevention of Accidents every year since 2017 and in 2022 won Commended status at the RoSPA awards and was placed 3rd overall in its sector. The Board continues to drive the business forward with employee wellbeing at the core of the Company's values while also maintaining its record on good corporate social responsibility. The business has recently introduced flexible working for all manufacturing employees in an effort to improve the work life balance for all employees. The Company is proud to display the Fair Tax Mark and continued membership of the 'Living Wage' foundation. All these initiatives have helped the Group to deliver a sickness/absence rate of around 1%, this level is very low by industry standard. The Board are also aware that while there are a number of the workforce who have been in the business for over 20 years we must ensure that skills are transferred to the next generation of employees, as such the business continues to invest in apprentices and looks to continue this in the future.

There have been no events since the balance sheet date which materially affect the position of the Company, other than in relation to the banking facilities, which is discussed below in the going concern section of this report.

### Principal risks and uncertainties

#### Going Concern

The Company's business activities, together with the factors likely to affect its future developments, performance and position are set out in the Strategic Report and Directors' Report to the financial statements.

The Company has reported an operating profit and EBITDA before exceptional and non-recurring items of £841k and £1,310k, respectively (2022: operating profit of £250k and £554k) for the year ended 31 March 2023. The Company has an outstanding working capital facility of £3 million from its bankers, HSBC, which at 31 March 2023 was due for repayment in September 2023. Due to the facilities being due for renewal within 12 months the banking facilities must be shown as repayable within 12 months at 31 March 2023. Due to the improved trading the Company has met covenants in September 2023 and is expected to meet all covenants going forward. As at 31 March 2023 the Company had £NIL undrawn facilities and cash of £3,559,018.

HSBC and Mercia, its key investor, have both supported the business through this time and subsequent to the year end. The business completed its renewal of facilities with HSBC in November 2023. This will enable the business to take advantage of the significant opportunities in the UK transformer market. UK DNOs have had their spending limits agreed for the next 8 year regulatory period starting in 2023, a period where decarbonisation and electrification of the UK is required to meet the climate change targets set. All DNOs have proposed significant increases in electrical distribution asset investment, placing the Company in a strong position to take advantage of this increase through the frameworks agreements it already has in place with DNOs. The Group and the Company is trading profitably post year end and is on track to deliver EBITDA of over £2m for the year ending 31 March 2024, this would be the highest ever for the business. This improvement in trading is on the back of sales orders received over the past 12 months exceeding £55m, another historical high for the business.

Based on the above indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis based on the reasonable cash flow forecasts they have prepared. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

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# WINDER POWER LIMITED

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## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### Market Risk

The markets for transformers, power distribution equipment, power generation equipment and rotating electrical machines remain competitive. The Company continues to manage actively the risk of losing customers to competitors (based both in the UK and overseas) by the provision of added value services, improving response times in the supply of products and by maintaining strong relationships with key customers by amongst other things offering strong technical support. The Company has a strong advantage in being based in the UK, close to our customers. In addition to that being able to provide a full suite of services through our Substation Services division allows the business to support customers in installations, refurbishments as well as quick response to emergency situations.

Ofgem has placed greater emphasis on innovation in addressing worn out assets, encouraging DNOs to refurbish existing assets. The Company's expertise in manufacturing new assets and also in extending the life of existing assets reduces the risk to its income stream, and they continue to carry out refurbishment projects for customers both in the utility sector and elsewhere.

### Commodity Risk

Copper prices decreased throughout 22/23: London Metal Exchange (LME) prices decreased from around USD 10,500 to USD 9,000 per tonne throughout the year. Copper represents around one quarter of the Company's material costs, and the Company protects itself from the commodity price rises and movements in the US Dollar to Sterling exchange rate by agreeing with its customers to flex contract prices to reflect movements to LME prices.

### Currency Risk

The Company purchases steel, copper and other components from Europe in Euros, and is therefore exposed to movements in the Euro to Sterling exchange rate. The exchange rate was relatively stable between 1.14 and

1.19 over the twelve months. In light of the EU referendum result, the Company has taken the decision to mitigate currency risk by buying currency forward and hedge against customers' orders received, so the tenor of these purchases is matched to the current length of the order book.

### Credit Risk

The Company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by means of a credit insurance policy, by obtaining suitable security where appropriate, and by monitoring payments against contractual agreements.

### Liquidity Risk

The Company monitors cash flow as part of its day to day control procedures. The Board reviews cash flow projections on a monthly basis and ensures that appropriate facilities are available to be drawn upon as necessary.

### Employee retention risk

The Company manages the risk of losing key employees by creating a very open and inclusive culture and ensuring that employees receive a competitive benefits package taking into account their skills and experience. The Company also operates established apprentice and graduate schemes which are successful in managing succession planning.

### Research and development activities

The Company continues to invest in research and development, particularly developing bespoke solutions for customers.

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## WINDER POWER LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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#### Other key performance indicators

The directors meet regularly throughout the year to discuss the performance of the Company, various key performance indicators and other specific measures in order to gauge the Company's financial position against annual targets.

The Company's financial performance is measured using turnover and EBITDA (earnings before interest, tax, depreciation and amortisation). Turnover of £24.0m was higher than last year, and the gross margins decreased, for the reasons discussed above. EBITDA excluding exceptional and non recurring items for the year increased to £1,308k (2022: £556k).

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

**A G Mill**

Director

Date: 21 December 2023

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# WINDER POWER LIMITED

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## **DIRECTORS' REPORT** **FOR THE YEAR ENDED 31 MARCH 2023**

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The directors present their report and the financial statements for the year ended 31 March 2023.

### **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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

### **Results and dividends**

The profit for the year, after taxation, amounted to £780,706 (2022 -£24,020).

Dividends of £Nil (2022: £NIL) were paid to the shareholders during the year.

### **Directors**

The directors who served during the year were:

P D Matthews  
A G Mill  
A P Pinkney  
D P Crossland (resigned 22 June 2023)

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# WINDER POWER LIMITED

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## **DIRECTORS' REPORT (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2023**

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### **Future developments**

The Company is continuing to focus on the improvement of transformer margins and expand its product offering, particularly into the larger 132kV power transformers. The business will also leverage its position as one of the UK's leading experts in transformer refurbishment, an area of the sector that has seen significant growth in the last few years.

The Government, through their Powering Up Britain – Energy Security Plan, expect the electricity demand in the UK to double by 2050, this is driven through an increase in electric vehicles and a conversion of heating from gas to electric. This increase along with the pressure that a distributed energy generation model places on the electricity network means that there will need to be a significant increase in the capacity of the electricity distribution network. This means that the requirement for transformers will greatly increase.

### **Engagement with employees**

During the year, the policy of providing employees with information about the Company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the Company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditor**

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

This report was approved by the board on 21 December 2023 and signed on its behalf.

**A G Mill**  
Director

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# WINDER POWER LIMITED

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINDER POWER LIMITED

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### Opinion

We have audited the financial statements of Winder Power Limited (the 'Company') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the 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, 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 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 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.

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## WINDER POWER LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINDER POWER LIMITED

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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 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.

#### **Matters on which we are required to report by exception**

In 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.

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.

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# WINDER POWER LIMITED

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINDER POWER LIMITED

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### Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, 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 the financial statements.

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

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering, legislation of Bribery Act 2010.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

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## WINDER POWER LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINDER POWER LIMITED

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We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of the audit 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.

Shaun Mullins (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants and Statutory Auditor

5th Floor

3 Wellington Place

Leeds

LS1 4AP

21 December 2023

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## WINDER POWER LIMITED

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### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

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	Note	2023 £	2022 £
Turnover	4	23,999,907	15,448,994
Cost of sales		(19,027,684)	(11,903,973)
<b>Gross profit</b>		<u>4,972,223</u>	<u>3,545,021</u>
Distribution costs		(494,962)	(247,410)
Administrative expenses		(3,636,357)	(3,047,188)
<b>Operating profit</b>	5	<u>840,904</u>	<u>250,423</u>
Interest payable and similar expenses	9	(173,515)	(179,301)
<b>Profit before tax</b>		<u>667,389</u>	<u>71,122</u>
Tax on profit	10	113,317	(47,102)
<b>Profit for the financial year</b>		<u><u>780,706</u></u>	<u><u>24,020</u></u>

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2023 (2022: £NIL).

The notes on pages 14 to 34 form part of these financial statements.

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**WINDER POWER LIMITED**  
**REGISTERED NUMBER: 05446559**

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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**

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	Note	2023 £	As restated 2022 £
<b>Fixed assets</b>			
Intangible assets	11	59,956	101,079
Tangible assets	12	1,859,408	1,851,399
		<hr/>	<hr/>
		1,919,364	1,952,478
<b>Current assets</b>			
Stocks	14	2,024,330	637,947
Debtors: amounts falling due within one year	15	14,211,283	9,875,894
Cash at bank and in hand	16	3,559,018	567,731
		<hr/>	<hr/>
		19,794,631	11,081,572
Creditors: amounts falling due within one year	17	(15,853,599)	(7,942,382)
		<hr/>	<hr/>
<b>Net current assets</b>		3,941,032	3,139,190
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		5,860,396	5,091,668
<b>Provisions for liabilities</b>			
Deferred tax	19	(312,942)	(324,920)
		<hr/>	<hr/>
<b>Net assets</b>		<u>5,547,454</u>	<u>4,766,748</u>
<b>Capital and reserves</b>			
Called up share capital	20	75,758	75,758
Share premium account	21	56,242	56,242
Profit and loss account	21	5,415,454	4,634,748
		<hr/>	<hr/>
		<u>5,547,454</u>	<u>4,766,748</u>

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

**A G Mill**  
Director

Date: 21 December 2023

The notes on pages 14 to 34 form part of these financial statements.

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## WINDER POWER LIMITED

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### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
<b>At 1 April 2021</b>	75,758	56,242	4,610,728	4,742,728
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	24,020	24,020
<b>Total comprehensive income for the year</b>	-	-	24,020	24,020
<b>At 1 April 2022</b>	75,758	56,242	4,634,748	4,766,748
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	780,706	780,706
<b>Total comprehensive income for the year</b>	-	-	780,706	780,706
<b>At 31 March 2023</b>	<u>75,758</u>	<u>56,242</u>	<u>5,415,454</u>	<u>5,547,454</u>

The notes on pages 14 to 34 form part of these financial statements.

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# WINDER POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 1. General information

Winder Power Limited ("the Company") is a company limited by share capital, registered number 05446559, incorporated in England and Wales. The address of the registered office is Grangefield House, Richardshaw Road, Pudsey, Leeds, LS28 6QS.

Winder Power Limited designs and manufactures electricity transformer and electrical components for industrial applications.

These financial statements have been presented in pound sterling which is the functional currency of the company, and rounded to the nearest £.

### 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment 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 Winder Power Holdings Limited as at 31 March 2023 and these financial statements may be obtained from Companies House.

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# WINDER POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 2. Accounting policies (continued)

#### 2.3 Going concern

The Company's business activities, together with the factors likely to affect its future developments, performance and position are set out in the Strategic Report and Directors' Report to the financial statements.

The Company has reported an operating profit and EBITDA before exceptional and non-recurring items of £841k and £1,310k, respectively (2022: operating profit of £250k and £554k) for the year ended 31 March 2023. The Company has an outstanding working capital facility of £3 million from its bankers, HSBC, which at 31 March 2023 was due for repayment in September 2023. Due to the facilities being due for renewal within 12 months the banking facilities must be shown as repayable within 12 months at 31 March 2023. Due to the improved trading the Company has met covenants in September 2023 and is expected to meet all covenants going forward. As at 31 March 2023 the Company had £NIL undrawn facilities and cash of £3,559,018.

HSBC and Mercia, its key investor, have both supported the business through this time and subsequent to the year end. The business completed its renewal of facilities with HSBC in November 2023. This will enable the business to take advantage of the significant opportunities in the UK transformer market. UK DNOs have had their spending limits agreed for the next 8 year regulatory period starting in 2023, a period where decarbonisation and electrification of the UK is required to meet the climate change targets set. All DNOs have proposed significant increases in electrical distribution asset investment, placing the Company in a strong position to take advantage of this increase through the frameworks agreements it already has in place with DNOs. The Group and the Company is trading profitably post year end and is on track to deliver EBITDA of over £2m for the year ending 31 March 2024, this would be the highest ever for the business. This improvement in trading is on the back of sales orders received over the past 12 months exceeding £55m, another historical high for the business.

Based on the above indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis based on the reasonable cash flow forecasts they have prepared. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

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# WINDER POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 2. Accounting policies (continued)

#### 2.4 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

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# WINDER POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 2. Accounting policies (continued)

#### 2.5 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.

#### 2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

#### 2.7 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.

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# WINDER POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 2. Accounting policies (continued)

#### 2.8 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.

#### 2.9 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.

#### 2.10 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

Government grants received are recognised as Government grant income within Other Operating Income of the Statement of Comprehensive Income.

#### 2.11 Borrowing costs

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

#### 2.12 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.

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# WINDER POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 2. Accounting policies (continued)

#### 2.13 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 reporting 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.

#### 2.14 Intangible assets

##### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of Comprehensive Income over its useful economic life.

##### Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

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# WINDER POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 2. Accounting policies (continued)

#### 2.15 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:

Long term leasehold property	- Straight line basis over the remaining life term of the lease
Plant & machinery	- Straight line basis over the remaining term of the lease (longer life assets) and straight line basis over 10 years (shorter life assets)
Fixtures & fittings	- Straight line basis over 4 years
Office equipment	- Straight line over 3 - 5 years
Assets held under construction	- Not depreciated on the basis that they have not yet been commissioned.

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.

#### 2.16 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 profit or loss.

#### 2.17 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.

#### 2.18 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.

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## WINDER POWER LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 2. Accounting policies (continued)

##### 2.19 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.

##### 2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

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# WINDER POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 2. Accounting policies (continued)

#### 2.21 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument.

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

#### Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

#### Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

#### Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

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# WINDER POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 2. Accounting policies (continued)

#### 2.21 Financial instruments (continued)

##### Financial liabilities

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

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

##### Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

##### Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

##### Derecognition of financial liabilities

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

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# WINDER POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

The critical judgments that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

#### Assessing indicators of impairment

In assessing whether there have been any indicators of impairment to assets, the directors have considered both external and internal sources of information such as market conditions, counter party credit ratings and experience of recoverability and where applicable, the ability of the assets to be operated as planned.

#### Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

##### (i) Long term contracts

Contract accounting is used to determine the amount of revenue to be recognised on long term transformer manufacturing contracts. The process of identifying the percentage completion of each ongoing contract requires judgment from management to ensure that revenue is appropriately recognised across the contract period.

### 4. Turnover

	2023	2022
	£	£
Transformer supply and service	<u>23,999,907</u>	<u>15,448,994</u>
Analysis of turnover by country of destination:		
	2023	2022
	£	£
United Kingdom	23,503,351	15,033,832
Rest of Europe	417,666	355,876
Rest of the world	78,890	59,286
	<u>23,999,907</u>	<u>15,448,994</u>

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# WINDER POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 5. Operating profit

The operating profit is stated after charging:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	300,632	212,548
Exchange differences	(4,316)	(4,402)
Research and development expense	619,237	677,911
Amortisation of intangible assets	41,123	42,870
Hire of plant and machinery - operating leases	64,685	75,843
Hire of other assets - operating leases	462,460	425,865
Non recurring costs	<u>127,068</u>	<u>49,965</u>

### 6. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditor for the audit of the Company's financial statements	<u>40,000</u>	<u>29,750</u>

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# WINDER POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 7. Employees

Staff costs, including directors' remuneration, were as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,513,471	2,763,644
Social security costs	299,170	210,020
Cost of defined contribution scheme	85,561	86,890
	<u>3,898,202</u>	<u>3,060,554</u>

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

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Manufacturing	53	46
Administration and management	34	32
	<u>87</u>	<u>78</u>

### 8. Directors' remuneration

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	473,071	343,314
Company contributions to defined contribution pension schemes	77,315	57,951
	<u>550,386</u>	<u>401,265</u>

During the year retirement benefits were accruing to 4 directors (2022-3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £132,988 (2022-£127,368).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £22,917 (2022-£20,888).

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## WINDER POWER LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 9. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	<u>173,515</u>	<u>179,301</u>

#### 10. Taxation

	2023 £	2022 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	(70,615)
Adjustments in respect of previous periods	(101,339)	30,130
	<u>(101,339)</u>	<u>(40,485)</u>
<b>Total current tax</b>	<u>(101,339)</u>	<u>(40,485)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(34,673)	10,844
Adjustments in respect of previous periods	22,695	1,365
Effect of tax rate change on opening balance	-	75,378
	<u>(11,978)</u>	<u>87,587</u>
<b>Total deferred tax</b>	<u>(11,978)</u>	<u>87,587</u>
<b>Taxation on profit on ordinary activities</b>	<u>(113,317)</u>	<u>47,102</u>

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## WINDER POWER LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 10. Taxation (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 -higher than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>667,389</u>	<u>71,122</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 -19%)	126,804	13,513
<b>Effects of:</b>		
Fixed asset differences	(5,506)	(7,165)
Expenses not deductible for tax purposes	1,259	153
Adjustments to tax charge in respect of prior periods	(101,339)	30,130
Adjustments to tax charge in respect of previous periods - deferred tax	22,695	1,365
Remeasurement of deferred tax for changes in tax rates	(8,322)	77,981
Other permanent differences	302	210
Adjustment in research and development tax credit leading to a decrease in the tax charge	(152,952)	(91,000)
Surrender of tax losses for R&D tax credit refund	-	21,915
Other differences leading to an increase (decrease) in the tax charge	3,742	-
<b>Total tax charge for the year</b>	<u>(113,317)</u>	<u>47,102</u>

##### Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

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## WINDER POWER LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 11. Intangible assets

	Computer software £	Goodwill £	Total £
<b>Cost</b>			
At 1 April 2022	107,147	393,887	501,034
At 31 March 2023	<u>107,147</u>	<u>393,887</u>	<u>501,034</u>
<b>Amortisation</b>			
At 1 April 2022	42,858	357,097	399,955
Charge for the year	21,429	19,694	41,123
At 31 March 2023	<u>64,287</u>	<u>376,791</u>	<u>441,078</u>
<b>Net book value</b>			
At 31 March 2023	<u>42,860</u>	<u>17,096</u>	<u>59,956</u>
<b>At 31 March 2022</b>	<u>64,289</u>	<u>36,790</u>	<u>101,079</u>

The individual intangible asset which is material to the financial statements is goodwill of £393,887. This goodwill was generated when the Company acquired the trade and assets of R F Winder Electrical Limited and Newton Derby Limited for £752,813 on 24 June 2005. The remaining amortisation period as at 31 March 2023 is 9 months.

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## WINDER POWER LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 12. Tangible fixed assets

	Long term Leasehold Property £	Plant & machinery £	Fixtures & fittings £	Office equipment £	Total £
<b>Cost</b>					
At 1 April 2022	348,756	3,314,815	248,271	584,358	4,496,200
Additions	-	153,768	39,500	115,373	308,641
At 31 March 2023	<u>348,756</u>	<u>3,468,583</u>	<u>287,771</u>	<u>699,731</u>	<u>4,804,841</u>
<b>Depreciation</b>					
At 1 April 2022	230,538	1,762,600	206,562	445,101	2,644,801
Charge for the year	14,740	209,566	20,971	55,355	300,632
At 31 March 2023	<u>245,278</u>	<u>1,972,166</u>	<u>227,533</u>	<u>500,456</u>	<u>2,945,433</u>
<b>Net book value</b>					
At 31 March 2023	<u>103,478</u>	<u>1,496,417</u>	<u>60,238</u>	<u>199,275</u>	<u>1,859,408</u>
<b>At 31 March 2022</b>	<u>118,218</u>	<u>1,552,215</u>	<u>41,709</u>	<u>139,257</u>	<u>1,851,399</u>

#### 13. Fixed asset investments

The principle undertakings in which the Company's interest at the year end is 20% or more are as follows:

R F Winder Electrical Limited

Newton Derby Limited

Countryman Defence Limited

Control Instruments Limited

The registered offices of the companies listed above are the same as that listed for the Company.

The Company holds 100% of the ordinary share capital of the subsidiaries listed, all of which are dormant.

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# WINDER POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 14. Stocks

	2023 £	2022 £
Work in progress	<u>2,024,330</u>	<u>637,947</u>

### 15. Debtors

	2023 £	As restated 2022 £
Trade debtors	4,793,194	3,519,597
Amounts owed by group undertakings	3,154,083	3,122,665
Other debtors	2,029,577	238,939
Prepayments and accrued income	451,081	201,639
Amounts recoverable on long term contracts	3,539,267	2,661,615
Tax recoverable	244,081	131,439
	<u>14,211,283</u>	<u>9,875,894</u>

### 16. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>3,559,018</u>	<u>567,731</u>

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# WINDER POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 17. Creditors: Amounts falling due within one year

	2023	As restated 2022
	£	£
Bank loans	3,233,333	3,598,333
Trade creditors	7,053,381	2,280,396
Other taxation and social security	875,213	1,085,921
Other creditors	109,678	25,614
Accruals and deferred income	4,581,994	952,118
	<u>15,853,599</u>	<u>7,942,382</u>

Included within Accruals and deferred income are amounts due to customers (deferred income) for on-going contract work totalling £4,588,921 (Restated 2022: £933,614).

See note 18 'Loans' for details of security, repayment dates and interest charges on the bank loans above.

Hire purchase liabilities are secured against the assets to which they relate.

### 18. Loans

Analysis of the maturity of loans is given below:

	2023	2022
	£	£
<b>Amounts falling due within one year</b>		
Bank loans	<u>3,233,333</u>	<u>3,598,333</u>

The bank loan is secured by way of fixed and floating charge over all assets of the company. As at 31 March 2023, the loan attracts interest at 3.75% above base rate, with £3 million being repayable in full in October 2023 and £1 million being repayable in installments across the period ended on the same date.

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# WINDER POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 19. Deferred taxation

	2023 £	2022 £
At beginning of year	(324,920)	(237,333)
Charged to profit or loss	11,978	(87,587)
<b>At end of year</b>	<u>(312,942)</u>	<u>(324,920)</u>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Fixed asset timing differences	(351,656)	(331,083)
Losses and other deductions	32,304	-
Short term timing differences	6,410	6,163
	<u>(312,942)</u>	<u>(324,920)</u>

### 20. Share capital

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
5,075,800 (2022 -5,075,800) Ordinary shares of £0.01 each	50,758	50,758
2,500,000 (2022 -2,500,000) 'A' Ordinary shares of £0.01 each	25,000	25,000
	<u>75,758</u>	<u>75,758</u>

### 21. Reserves

#### Share premium account

The share premium account includes the premium on issue of equity shares, net of issue costs.

#### Profit & loss account

The profit and loss reserves consist of accumulated profits and losses, less dividend payments.

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# WINDER POWER LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 22. Prior year adjustment

In the prior year, amounts relating to on-going contract work, included within deferred income, were incorrectly stated at £2,983,190. A prior year adjustment has been made to correct this amount to its correct value at £933,614. This correction has reduced deferred income and amounts owed to long term contracts by £2,049,576. There has been no impact on the Statement of Comprehensive income and net assets remain the same.

### 23. Pension commitments

The Company operates a defined contribution personal pension scheme. The assets of the scheme are held separately from those of the company in a independently administered fund. The pension charge amounted to £22,753 (2022: £187,002). Contributions totalling £33,062 (2022: £24,651) were payable at the end of the financial year and are included in creditors due within 1 year.

### 24. Commitments under operating leases

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023	2022
	£	£
Due within one year	404,162	381,603
Due between two to five years	1,332,805	1,575,000
	<u>1,736,967</u>	<u>1,956,603</u>

### 25. Related party disclosures

The Company is a wholly owned subsidiary of Winder Power Holdings Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 102 not to disclose transactions with Winder Power Holdings Limited or other wholly owned subsidiaries within the Group.

### 26. Ultimate controlling party

The Company is a subsidiary of Winder Power Holdings Limited which is the ultimate parent company incorporated in England and Wales. There is no ultimate controlling party.

The largest and smallest group in which the results of the Company are consolidated is that headed by Winder Power Holdings Limited, incorporated in England and Wales. The consolidated financial statements of this Company are available to the public and may be obtained from Companies House, Cardiff. No other group financial statements include the results of the Company.



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.