REGISTERED NUMBER: 01753503 (England and Wales)

Group Strategic Report,

Report of the Directors and

Consolidated Financial Statements

for the Year Ended 31 July 2024

for

U.K Electronics Limited

Contents of the Consolidated Financial Statements
for the Year Ended 31 July 2024

Company Information
for the Year Ended 31 July 2024

DIRECTORS:	N G Carr J I Duckworth Mrs C Newton M Ainsworth
REGISTERED OFFICE:	Schofield House Lion Mill Yard, Fitton Street Royton Oldham Lancashire OL2 5JX
REGISTERED NUMBER:	01753503 (England and Wales)
AUDITORS:	Hardy & Company (Hyde) Ltd Chartered Certified Accountants & Statutory Auditors Onward Chambers 34 Market Street Hyde Cheshire SK14 1AH

Group Strategic Report
for the Year Ended 31 July 2024

The directors present their strategic report of the company and the group for the year ended 31 July 2024.

REVIEW OF BUSINESS
The Group's principal activity during the year was the manufacture of electronic boards.

Turnover decreased from £9.5 million to £7.7 million, with Pre-Tax Net Profits decreasing to £0.9 million compared to the 2023 figure of £1.9 million.

The electronics component market has now returning to a level previously seen prior to the shortages and problems of supply of the last three years. Many customers are finding their stock levels are too high and consequently deferring orders and deliveries which is impacting turnover in the current financial year.

On 31 October 2023, ownership of the Company was transferred to UKE Employee Ownership Trustee Limited, an Employee Ownership Trust.

PRINCIPAL RISKS AND UNCERTAINTIES
Liquidity risk:
The Group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the Group has sufficient liquid resources to meet the operating needs of the business.

The Group manages the risk by maintaining regular contact with existing finance providers to evaluate options in future funding decisions.

Interest rate risk:
The Group is exposed to interest rate risk on deposits.

The Group manages the risk by constantly monitoring their policies to ensure that they are not exposed to short term interest rate movements.

Credit risk:
The Group is not exposed to a high degree of credit risk as surplus funds are minimised due to working capital requirements. These are then retained in either a short term current account or call deposit account as agreed by the Board of Directors.

The Group manages this risk by continuously considering the credit ratings of financial institutes that they have relationships with.

FINANCIAL INSTRUMENTS
The Group's principal instruments are cash balances. In addition, the Company has various other financial assets and liabilities such as trade debtors and trade creditors arising from its operations.

FUTURE DEVELOPMENTS
The Group continues to look at future opportunities to expand its range of products and services whilst ensuring the core business is secured.

ON BEHALF OF THE BOARD:

J I Duckworth - Director

29 July 2025

Report of the Directors
for the Year Ended 31 July 2024

The directors present their report with the financial statements of the company and the group for the year ended 31 July 2024.

DIVIDENDS
No dividends will be distributed for the year ended 31 July 2024.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 August 2023 to the date of this report.

N G Carr
J I Duckworth

Other changes in directors holding office are as follows:

Mrs C Newton - appointed 31 October 2023
M Ainsworth - appointed 31 October 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

AUDITORS

The auditors, Hardy & Company (Hyde) Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

J I Duckworth - Director

29 July 2025

Opinion

We have audited the financial statements of U.K Electronics Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2024 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 July 2024 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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:

Based on our understanding of the Group we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditures, and management bias in accounting estimates and judgemental areas of the financial statements such as revenue recognition.

Audit procedures performed by the engagement team included:

- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- understanding of management's internal controls designed to prevent and detect irregularities.
- reviewing the litigation records in so far as it related to non-compliance with laws and regulations and fraud.
- reviewing relevant meeting minutes.
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.
- testing transactions entered into outside of the normal course of the Group's business; and
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion

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

Use of our report

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

Paul Robert Campbell (Senior Statutory Auditor)
for and on behalf of Hardy & Company (Hyde) Ltd
Chartered Certified Accountants
& Statutory Auditors
Onward Chambers
34 Market Street
Hyde
Cheshire
SK14 1AH

29 July 2025

Consolidated
Income Statement
for the Year Ended 31 July 2024

	Notes	31.7.24 Continuing £	31.7.24 Discontinued £	31.7.24 Total £
TURNOVER		7,654,402	-	7,654,402
Cost of sales		(4,976,421)	-	(4,976,421)
GROSS PROFIT		2,677,981	-	2,677,981
Distribution costs		(98,776)	-	(98,776)
Administrative expenses		(1,683,936)	-	(1,683,936)
OPERATING PROFIT	4	895,269	-	895,269
Interest receivable and similar income		13,883	-	13,883
Interest payable and similar expenses	5	(396)	-	(396)
PROFIT BEFORE TAXATION		908,756	-	908,756
Tax on profit	6	(219,722)	-	(219,722)
PROFIT FOR THE FINANCIAL YEAR		689,034	-	689,034
Profit attributable to:				
Owners of the parent				689,034

The notes form part of these financial statements

Consolidated
Income Statement
for the Year Ended 31 July 2024

	Notes	31.7.23 Continuing £	31.7.23 Discontinued £	31.7.23 Total £
TURNOVER		9,256,338	225,379	9,481,717
Cost of sales		(5,852,528)	(176,984)	(6,029,512)
GROSS PROFIT		3,403,810	48,395	3,452,205
Distribution costs		(94,920)	-	(94,920)
Administrative expenses		(1,380,034)	(48,958)	(1,428,992)
		1,928,856	(563)	1,928,293
Other operating income		-	(5,638)	(5,638)
OPERATING PROFIT/(LOSS)	4	1,928,856	(6,201)	1,922,655
Interest receivable and similar income		7,128	-	7,128
Interest payable and similar expenses	5	(5,760)	-	(5,760)
PROFIT/(LOSS) BEFORE TAXATION		1,930,224	(6,201)	1,924,023
Tax on profit/(loss)	6	(383,780)	-	(383,780)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		1,546,444	(6,201)	1,540,243
Profit/(loss) attributable to:				
Owners of the parent				1,540,243

The notes form part of these financial statements

Consolidated
Other Comprehensive Income
for the Year Ended 31 July 2024

	Notes	31.7.24 £	31.7.23 £
PROFIT FOR THE YEAR		689,034	1,540,243
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		689,034	1,540,243
Total comprehensive income attributable to:			
Owners of the parent		689,034	1,540,243

The notes form part of these financial statements

Consolidated Balance Sheet
31 July 2024

	Notes	31.7.24 £	£	31.7.23 £	£
FIXED ASSETS					
Intangible assets	8		17,702		22,127
Tangible assets	9		1,130,519		951,756
Investments	10		-		-
			1,148,221		973,883
CURRENT ASSETS					
Stocks	11	1,854,905		2,349,445	
Debtors	12	1,321,273		1,908,275	
Cash at bank and in hand		351,534		2,303,054	
		3,527,712		6,560,774	
CREDITORS					
Amounts falling due within one year	13	1,326,012		1,742,694	
NET CURRENT ASSETS			2,201,700		4,818,080
TOTAL ASSETS LESS CURRENT LIABILITIES			3,349,921		5,791,963
PROVISIONS FOR LIABILITIES	15		62,505		64,020
NET ASSETS			3,287,416		5,727,943
CAPITAL AND RESERVES					
Called up share capital	16		946		946
Share premium	17		449,742		449,742
Capital redemption reserve	17		100		100
Retained earnings	17		2,836,628		5,277,155
SHAREHOLDERS' FUNDS			3,287,416		5,727,943

The financial statements were approved by the Board of Directors and authorised for issue on 29 July 2025 and were signed on its behalf by:

J I Duckworth - Director

N G Carr - Director

The notes form part of these financial statements

Company Balance Sheet
31 July 2024

	Notes	31.7.24		31.7.23	
			£	£	£
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		252,385		258,960
Investments	10		492,038		492,038
			744,423		750,998
CURRENT ASSETS					
Stocks	11	1,850,427		2,318,611	
Debtors	12	1,814,170		2,240,958	
Cash at bank and in hand		340,050		2,250,102	
		4,004,647		6,809,671	
CREDITORS					
Amounts falling due within one year	13	1,313,129		1,732,884	
NET CURRENT ASSETS			2,691,518		5,076,787
TOTAL ASSETS LESS CURRENT LIABILITIES			3,435,941		5,827,785
CREDITORS					
Amounts falling due after more than one year	14		(24,562)		(24,562)
PROVISIONS FOR LIABILITIES	15		(62,505)		(64,020)
NET ASSETS			3,348,874		5,739,203
CAPITAL AND RESERVES					
Called up share capital	16		946		946
Share premium	17		449,742		449,742
Capital redemption reserve	17		100		100
Retained earnings	17		2,898,086		5,288,415
SHAREHOLDERS' FUNDS			3,348,874		5,739,203
Company's profit for the financial year			739,232		1,545,370

The financial statements were approved by the Board of Directors and authorised for issue on 24 July 2025 and were signed on its behalf by:

J I Duckworth - Director

N G Carr - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the Year Ended 31 July 2024

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 August 2022	900	3,736,912	-	100	3,737,912
Changes in equity					
Issue of share capital	46	-	449,742	-	449,788
Total comprehensive income	-	1,540,243	-	-	1,540,243
Balance at 31 July 2023	946	5,277,155	449,742	100	5,727,943
Changes in equity					
Total comprehensive income	-	689,034	-	-	689,034
Distribution	-	(3,129,561)	-	-	(3,129,561)
Balance at 31 July 2024	946	2,836,628	449,742	100	3,287,416

Company Statement of Changes in Equity for the Year Ended 31 July 2024

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 August 2022	900	3,743,045	-	100	3,744,045
Changes in equity					
Issue of share capital	46	-	449,742	-	449,788
Total comprehensive income	-	1,545,370	-	-	1,545,370
Balance at 31 July 2023	946	5,288,415	449,742	100	5,739,203
Changes in equity					
Total comprehensive income	-	739,232	-	-	739,232
Distribution	-	(3,129,561)	-	-	(3,129,561)
Balance at 31 July 2024	946	2,898,086	449,742	100	3,348,874

The notes form part of these financial statements

Consolidated Cash Flow Statement
for the Year Ended 31 July 2024

	Notes	31.7.24	31.7.23
		£	£
Cash flows from operating activities			
Cash generated from operations	1	1,782,019	2,666,843
Interest paid		(396)	(2,009)
Interest element of hire purchase or finance lease rental payments paid		-	(3,751)
Tax paid		(288,712)	(550,740)
Net cash from operating activities		1,492,911	2,110,343
Cash flows from investing activities			
Purchase of tangible fixed assets		(329,099)	(42,598)
Purchase of fixed asset investments		-	2,250
Sale of tangible fixed assets		33	17,748
Sale of fixed asset investments		-	30,000
Interest received		13,883	7,128
Net cash from investing activities		(315,183)	14,528
Cash flows from financing activities			
Loan repayments in year		-	(152,197)
Capital repayments in year		-	(43,679)
Amount introduced by directors		313	-
Distribution		(3,129,561)	-
Net cash from financing activities		(3,129,248)	(195,876)
(Decrease)/increase in cash and cash equivalents		(1,951,520)	1,928,995
Cash and cash equivalents at beginning of year	2	2,303,054	374,059
Cash and cash equivalents at end of year	2	351,534	2,303,054

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 July 2024

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.7.24	31.7.23
	£	£
Profit before taxation	908,756	1,924,023
Depreciation charges	154,727	159,825
Loss on disposal of fixed assets	-	36,416
Finance costs	396	5,760
Finance income	(13,883)	(7,128)
	1,049,996	2,118,896
Decrease in stocks	494,540	514,442
Decrease in trade and other debtors	587,002	345,886
Decrease in trade and other creditors	(349,519)	(312,381)
Cash generated from operations	1,782,019	2,666,843

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 July 2024

	31.7.24	1.8.23
	£	£
Cash and cash equivalents	351,534	2,303,054

Year ended 31 July 2023

	31.7.23	1.8.22
	£	£
Cash and cash equivalents	2,303,054	374,059

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.8.23	Cash flow	At 31.7.24
	£	£	£
Net cash			
Cash at bank and in hand	2,303,054	(1,951,520)	351,534
	2,303,054	(1,951,520)	351,534
Total	2,303,054	(1,951,520)	351,534

1. STATUTORY INFORMATION

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

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

2. ACCOUNTING POLICIES

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

Basis of consolidation
The consolidated financial statements incorporate those of U.K Electronics Limited and all of its group undertakings.

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

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

Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over 5 years from the year of acquisition. The results of companies acquired or disposed of are included in the group profit and loss accounts after or up to the date that control passes.

Significant judgements and estimates
The preparation of the financial statements requires management to make estimates, judgements and assumptions that affect the amounts reported. These judgements and estimates are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no significant judgements or estimates.

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2. **ACCOUNTING POLICIES - continued**

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	-	15% on cost and 10% on cost
Fixtures and fittings	-	33% on cost and 15% on cost
Motor vehicles	-	20% on cost
Computer equipment	-	25% on cost

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

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2. **ACCOUNTING POLICIES - continued**

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 weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet 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.

Financial instruments
A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets or either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

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

Current or deferred taxation assets and liabilities are not discounted.

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

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

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

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

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2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

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

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

Pension costs and other post-retirement benefits
The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Impairment
A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Provisions
Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the Balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

3. EMPLOYEES AND DIRECTORS

	31.7.24	31.7.23
	£	£
Wages and salaries	1,913,198	1,952,922
Social security costs	225,190	174,374
Other pension costs	30,111	34,003
	2,168,499	2,161,299

continued...

3. EMPLOYEES AND DIRECTORS - continued

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

	31.7.24	31.7.23
Directors	4	2
Administration	17	15
Sales	1	1
Production	50	57
	72	75

The average number of employees by undertakings that were proportionately consolidated during the year was 72 (2023 - 75) .

	31.7.24	31.7.23
	£	£
Directors' remuneration	170,026	90,000

4. OPERATING PROFIT

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

	31.7.24	31.7.23
	£	£
Other operating leases	51,696	60,822
Depreciation - owned assets	150,303	134,681
Depreciation - assets on hire purchase contracts or finance leases	-	16,552
Loss on disposal of fixed assets	-	6,416
Goodwill amortisation	4,425	-
Foreign exchange differences	(6,587)	(1,524)

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.7.24	31.7.23
	£	£
Bank loan interest	396	4,112
Other interest - on overdue tax	-	(2,103)
Hire purchase	-	3,751
	396	5,760

continued...

6. TAXATION

Analysis of the tax charge

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

	31.7.24	31.7.23
	£	£
Current tax:		
UK corporation tax	221,237	389,083
Deferred tax	(1,515)	(5,303)
Tax on profit	219,722	383,780

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

8. INTANGIBLE FIXED ASSETS

Group

	Goodwill
	£
COST	
At 1 August 2023	
and 31 July 2024	22,127
AMORTISATION	
Amortisation for year	4,425
At 31 July 2024	4,425
NET BOOK VALUE	
At 31 July 2024	17,702
At 31 July 2023	22,127

continued...

9. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 August 2023	635,665	944,112	168,587
Additions	214,948	105,428	1,285
Disposals	-	(33)	-
At 31 July 2024	850,613	1,049,507	169,872
DEPRECIATION			
At 1 August 2023	-	698,588	147,716
Charge for year	13,287	106,906	8,484
At 31 July 2024	13,287	805,494	156,200
NET BOOK VALUE			
At 31 July 2024	837,326	244,013	13,672
At 31 July 2023	635,665	245,524	20,871

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 August 2023	7,100	126,381	1,881,845
Additions	-	7,438	329,099
Disposals	-	-	(33)
At 31 July 2024	7,100	133,819	2,210,911
DEPRECIATION			
At 1 August 2023	6,390	77,395	930,089
Charge for year	710	20,916	150,303
At 31 July 2024	7,100	98,311	1,080,392
NET BOOK VALUE			
At 31 July 2024	-	35,508	1,130,519
At 31 July 2023	710	48,986	951,756

continued...

9. TANGIBLE FIXED ASSETS - continued

Group

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

	Plant and machinery £
COST	
At 1 August 2023	110,347
Transfer to ownership	(110,347)
At 31 July 2024	-
DEPRECIATION	
At 1 August 2023	66,308
Transfer to ownership	(66,308)
At 31 July 2024	-
NET BOOK VALUE	
At 31 July 2024	-
At 31 July 2023	44,039

Company

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 August 2023	827,580	161,827	7,100	126,381	1,122,888
Additions	105,428	1,285	-	7,438	114,151
Disposals	(33)	-	-	-	(33)
At 31 July 2024	932,975	163,112	7,100	133,819	1,237,006
DEPRECIATION					
At 1 August 2023	639,187	140,956	6,390	77,395	863,928
Charge for year	90,583	8,484	710	20,916	120,693
At 31 July 2024	729,770	149,440	7,100	98,311	984,621
NET BOOK VALUE					
At 31 July 2024	203,205	13,672	-	35,508	252,385
At 31 July 2023	188,393	20,871	710	48,986	258,960

continued...

9. **TANGIBLE FIXED ASSETS - continued**

Company

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

	Plant and machinery £
COST	
At 1 August 2023	110,347
Transfer to ownership	(110,347)
At 31 July 2024	-
DEPRECIATION	
At 1 August 2023	66,308
Transfer to ownership	(66,308)
At 31 July 2024	-
NET BOOK VALUE	
At 31 July 2024	-
At 31 July 2023	44,039

10. **FIXED ASSET INVESTMENTS**

Company

	Shares in group undertakings £
COST	
At 1 August 2023 and 31 July 2024	502,438
PROVISIONS	
At 1 August 2023 and 31 July 2024	10,400
NET BOOK VALUE	
At 31 July 2024	492,038
At 31 July 2023	492,038

continued...

10. FIXED ASSET INVESTMENTS - continued

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

Subsidiaries

Blackburn Circuit Design Holdings Limited
Registered office: Schofield House,Lion Mill Yard, Fitton Street, Royton,Oldham, Lancashire,OL2 5JX
Nature of business: Holding company

	%
Class of shares:	holding
Ordinary	100.00

	31.7.24	31.7.23
	£	£
Aggregate capital and reserves	6,320	6,320

Blackburn Circuit Design Limited
Registered office: Schofield House, Lion Mill Yard, Fitton Street, Royton, Oldham, OL2 5JX
Nature of business: Electronic design and PCB assembly

	%
Class of shares:	holding
Ordinary	100.00

	31.7.24	31.7.23
	£	£
Aggregate capital and reserves	61,069	60,280
Profit for the year	789	1,074

Edgeton Solutions Limited
Registered office: Orrells Well Farm, Foden Lane, Alderley Edge, Cheshire SK9 7TH
Nature of business: Manufacture of electronic boards

	%
Class of shares:	holding
Ordinary	100.00

	31.7.24	31.7.23
	£	£
Aggregate capital and reserves	383,349	429,911
(Loss)/profit for the year/period	(46,562)	32,610

11. STOCKS

	Group		Company	
	31.7.24	31.7.23	31.7.24	31.7.23
	£	£	£	£
Raw materials	1,259,135	1,639,830	1,254,657	1,608,996
Work-in-progress	468,963	607,209	468,963	607,209
Finished goods	126,807	102,406	126,807	102,406
	1,854,905	2,349,445	1,850,427	2,318,611

continued...

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.7.24	31.7.23	31.7.24	31.7.23
	£	£	£	£
Trade debtors	1,289,225	1,862,297	1,282,714	1,850,729
Amounts owed by group undertakings	-	-	499,580	344,637
Other debtors	1,772	3,436	1,600	3,050
Prepayments and accrued income	30,276	42,542	30,276	42,542
	1,321,273	1,908,275	1,814,170	2,240,958

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.7.24	31.7.23	31.7.24	31.7.23
	£	£	£	£
Payments on account	198,181	210,415	198,181	210,415
Trade creditors	801,980	1,079,350	796,454	1,076,712
Tax	96,074	163,549	95,893	163,303
Social security and other taxes	147,168	233,920	146,918	233,920
Other creditors	19,236	9,280	19,236	9,280
Directors' current accounts	313	-	313	-
Accrued expenses	63,060	46,180	56,134	39,254
	1,326,012	1,742,694	1,313,129	1,732,884

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

	Company	
	31.7.24	31.7.23
	£	£
Other creditors	24,562	24,562

15. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.7.24	31.7.23	31.7.24	31.7.23
	£	£	£	£
Deferred tax	62,505	64,020	62,505	64,020

Group

	Deferred tax
	£
Balance at 1 August 2023	64,020
Credit to Income Statement during year	(1,515)
Balance at 31 July 2024	62,505

continued...

15. **PROVISIONS FOR LIABILITIES - continued**

Company

	Deferred tax £
Balance at 1 August 2023	64,020
Utilised during year	(1,515)
Balance at 31 July 2024	62,505

16. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.7.24 £	31.7.23 £
946	Ordinary	£1	946	946

17. **RESERVES**

Group

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 August 2023	5,277,155	449,742	100	5,726,997
Profit for the year	689,034			689,034
Distribution	(3,129,561)	-	-	(3,129,561)
At 31 July 2024	2,836,628	449,742	100	3,286,470

Company

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 August 2023	5,288,415	449,742	100	5,738,257
Profit for the year	739,232			739,232
Distribution	(3,129,561)	-	-	(3,129,561)
At 31 July 2024	2,898,086	449,742	100	3,347,928