

**STRATEGIC REPORT,
REPORT OF THE DIRECTOR AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025
FOR
SARGINSONS INDUSTRIES LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

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SARGINSONS INDUSTRIES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2025**

DIRECTOR: T M Nunan

REGISTERED OFFICE: Sarginsons Industries Ltd
Torrington Avenue
Coventry
West Midlands
CV4 9AG

REGISTERED NUMBER: 00541560 (England and Wales)

SENIOR STATUTORY AUDITOR: Gary Chajet

INDEPENDENT AUDITORS: Accura Audit Limited (Statutory Auditor)
Langley House,
Park Road,
East Finchley,
London
N2 8EY

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2025**

The director presents his strategic report for the year ended 31 March 2025.

REVIEW OF BUSINESS

Business Model

Sarginsons operates in the technology and manufacturing sectors, focusing on advanced casting solutions. Revenue comes from designing, developing, and supplying castings. Core resources include technical expertise, R&D capabilities, and relationships with OEMs and new market entrants. Value is created through the PIVOT programme, which will deliver new designs and castings. This programme is expected to bring significant operational and economic benefits to clients, driving growth for Sarginsons and representing a potential revolution in the casting industry.

Strategic Objectives and Strategy

The company aims to achieve growth by leveraging its expertise in casting technology, particularly in the electric vehicle and aerospace sectors. The PIVOT R&D programme, which concludes in 2027, is central to this strategy and is expected to deliver benefits from Q1 2026, when software development concludes and real castings are designed for the first time.

Sarginsons seeks to expand its client base, including new, specialised builders whose relatively low volumes suit the company's production capacity and profile. Strategic initiatives include continued investment in technology, adapting production capacity to market demands, and addressing the cost base of aerospace clients facing imminent competition from China.

Performance and Key Performance Indicators

In 2024, gross margin and turnover were impacted by substantial technical resources directed toward the PIVOT programme, which reduced high-margin income from the technology division. Several substantial new contracts were won toward the end of 2024, but these were not fully reflected in turnover for the year. Start-up and development costs accrued in the same period also affected gross margin performance.

Key performance indicators focus on turnover, gross margin, and the successful completion of development milestones.

PRINCIPAL RISKS AND UNCERTAINTIES

Risks include the impact of tariffs imposed by the USA, potential global recession, and competitive pressures, including Chinese EV imports. However, current sales volumes are expected to remain stable. The company is already working with one or two Chinese EV clients, so the impact of imports on Sarginsons is expected to be limited. There seems little evidence of an imminent global recession at present. Economic and industry developments, including the evolution of the EV market and competitive pressures in aerospace, are being monitored closely.

Financial Review

Despite the operational impacts noted above, the company remains financially sound. Revenue and margins were affected by late 2024 contracts, PIVOT R&D costs, and diversion of technical resources, but liquidity and capital resources are sufficient to fund ongoing projects, and cash flows are managed prudently.

ACHIEVEMENTS OF KEY PERFORMANCE INDICATORS

	2025	2024
Gross profit margin	23.4%	27.9%
Return on Capital Employed	10.8%	15.7%
EBITDA / Sales	5.2%	6.1%

ON BEHALF OF THE BOARD:

T M Nunan - Director

12 November 2025

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 MARCH 2025**

The director presents his report with the financial statements of the company for the year ended 31 March 2025.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of aluminium diecaster, specialising in low pressure, sand and gravity diecasting and related design and simulation services.

DIVIDENDS

An interim dividend of 3.71 per share was paid on 31 March 2025. The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 31 March 2025 will be £ 278,200 .

DIRECTOR

T M Nunan held office during the whole of the period from 1 April 2024 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Accura Audit Limited (Statutory Auditor), will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

T M Nunan - Director

12 November 2025

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SARGINSONS INDUSTRIES LIMITED

Opinion

We have audited the financial statements of Sarginsons Industries Limited (the 'company') for the year ended 31 March 2025 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SARGINSONS INDUSTRIES LIMITED**

Matters on which we are required to report by exception

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

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

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

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SARGINSONS INDUSTRIES LIMITED

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:

Fraud - Identifying and responding to risks of material misstatement due to fraud

Fraud risk assessment

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure by management to commit, or provide an opportunity to commit, fraud. Our risk assessment procedures included;

- enquiries of management and internal accounting staff, concerning the company's policies and procedures relating to;
- detecting and responding to the risks of fraud; and
- internal controls established to mitigate risks related to fraud;
- enquiries of management and internal accounting staff as to whether they had knowledge of any actual, suspected or alleged fraud;
- discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes the audit partner and manager who have commercial knowledge and experience of such an entity, and this experience was relevant to the discussion about where fraud risks may arise.

Risk communications

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

Fraud risks

As required by auditing standards we addressed the risk of management override of controls and the risk of fraudulent revenue recognition. In particular we considered the risk that revenue is recorded in the wrong period and the risk that the management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgments.

Procedures to address fraud risks

Our audit procedures included evaluating the design and implementation, and operating effectiveness of internal controls relevant to mitigate these risks. We also performed substantive audit procedures including;

- Comparing journal entries to supporting documentation and review for any unusual journal descriptions;
- Assessing significant accounting estimates and judgements for bias;
- Obtaining third party confirmations for all bank balances and material debtors and creditors balances; and
- Testing journal entries to identify unusual transactions.

Laws and regulations

- Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations.

Risk assessment

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements.

For this risk assessment, matters considered included the following;

- discussion with the management (as required by auditing standards);
- inspection of regulatory and legal correspondence; and
- discussions with the management about the policies and procedures regarding compliance with laws and regulations.

Risk communication

Our communication of laws and regulations risks was made throughout our team and we remained alert to any indications of non-compliance throughout the audit.

Direct laws context and link to audit

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SARGINSONS INDUSTRIES LIMITED

The potential effect of laws and regulations on the financial statements varies considerably. The company is subject to United Kingdom laws and regulations, such as the Companies Act 2006. Other relevant rules and regulations include the following:

- Financial reporting legislation (including related UK companies' legislation).
- Taxation legislation (direct and indirect) in the countries of operation.

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Most significant indirect law/ regulation areas

The company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or harm to the company's ability to operate.

We identified the following areas as those most likely to have such an effect:

- Health, safety, welfare and fire safety.
- Anti-bribery fraud and corruption.
- Anti-money laundering regulations.
- European Union and United Kingdom employment law.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of law or regulations is not disclosed to us or evident from relevant correspondence, our audit will not detect that breach.

We considered the extent to which the audit was considered capable of detecting irregularities: 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 from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, 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.

Gary Chajet (Senior Statutory Auditor)
for and on behalf of Accura Audit Limited (Statutory Auditor)
Langley House,
Park Road,
East Finchley,
London
N2 8EY

12 November 2025

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	31.3.25 £	31.3.24 £
TURNOVER	3	13,191,001	14,153,596
Cost of sales		<u>(10,087,497)</u>	<u>(10,203,085)</u>
GROSS PROFIT		3,103,504	3,950,511
Distribution costs		(650,203)	(527,847)
Administrative expenses		<u>(2,876,585)</u>	<u>(3,031,867)</u>
		(423,284)	390,797
Other operating income	4	<u>1,066,924</u>	<u>66,634</u>
OPERATING PROFIT	6	643,640	457,431
Interest payable and similar expenses	8	<u>(313,604)</u>	<u>(244,724)</u>
PROFIT BEFORE TAXATION		330,036	212,707
Tax on profit	9	<u>(42,098)</u>	<u>93,160</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>287,938</u></u>	<u><u>305,867</u></u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025**

	31.3.25	31.3.24
Notes	£	£
PROFIT FOR THE YEAR	287,938	305,867
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>287,938</u>	<u>305,867</u>

STATEMENT OF FINANCIAL POSITION
31 MARCH 2025

	Notes	£	31.3.25 £	£	31.3.24 £
FIXED ASSETS					
Intangible assets	11		15,863		47,556
Tangible assets	12		<u>1,861,502</u>		<u>2,118,156</u>
			1,877,365		2,165,712
CURRENT ASSETS					
Stocks	13	2,037,178		1,959,244	
Debtors	14	3,740,380		3,024,329	
Cash at bank and in hand		<u>364,328</u>		<u>290,899</u>	
		6,141,886		5,274,472	
CREDITORS					
Amounts falling due within one year	15	<u>5,139,201</u>		<u>4,309,422</u>	
NET CURRENT ASSETS			<u>1,002,685</u>		<u>965,050</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,880,050		3,130,762
CREDITORS					
Amounts falling due after more than one year	16		(430,664)		(632,737)
PROVISIONS FOR LIABILITIES	20		<u>(441,092)</u>		<u>(499,469)</u>
NET ASSETS			<u>2,008,294</u>		<u>1,998,556</u>
CAPITAL AND RESERVES					
Called up share capital	21		750		750
Retained earnings	22		<u>2,007,544</u>		<u>1,997,806</u>
SHAREHOLDERS' FUNDS			<u>2,008,294</u>		<u>1,998,556</u>

The financial statements were approved by the director and authorised for issue on 12 November 2025 and were signed by:

T M Nunan - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2023	750	1,816,939	1,817,689
Changes in equity			
Dividends	-	(125,000)	(125,000)
Total comprehensive income	-	305,867	305,867
Balance at 31 March 2024	<u>750</u>	<u>1,997,806</u>	<u>1,998,556</u>
Changes in equity			
Dividends	-	(278,200)	(278,200)
Total comprehensive income	-	287,938	287,938
Balance at 31 March 2025	<u>750</u>	<u>2,007,544</u>	<u>2,008,294</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. STATUTORY INFORMATION

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

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.

Functional and presentation currency

The company's functional and presentation currency is £ sterling. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

The financial statements have been prepared on a going concern basis. In forming this view, the Director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

This assessment is supported by forecasts demonstrating that the company is expected to continue to operate successfully. Margins have strengthened, supported by a combination of increased sale prices and a reduction in scrap rates. Turnover is also projected to increase following the planned launch of the company's unique technology in January 2026, which is expected to enhance the competitiveness of its product offering. Sales projections for this new technology have been prepared on a prudent basis, reflecting the early stage of market introduction, although growth is anticipated to accelerate as market awareness develops.

The Director has considered the company's trading dependencies and financial commitments and is satisfied that these have been appropriately reflected in the forecasts supporting the going concern assessment.

This company forms part of the Nudation Limited Group, which also includes Pattern Solutions Ltd, Nu-Cents Ltd and, shortly, Numachine Ltd. The company is well established and is expected to achieve productivity improvements at a rate that exceeds the associated cost increases.

Accordingly, the Board is satisfied that there are no material uncertainties that may cast significant doubt on the company's ability to continue as a going concern and remains confident in its future performance.

Financial Reporting Standard 102 - reduced disclosure exemptions

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

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

The Company is a member of the Nudation Group, whose parent prepares publicly available consolidated financial statements intended to give a true and fair view of the group's assets, liabilities, financial position, and profit or loss, including the Company.

The Company has prepared its accounts on a going concern basis, and the directors are satisfied that omitting the cash-flow statement in accordance with this exemption does not affect the true and fair view of the Company's financial position and performance.

The Company's financial statements are consolidated into the financial statements of Nudation Limited, which are publicly available from its registered office at Torrington Avenue, Coventry, England, CV4 9AG.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates

In applying the company's accounting policies, the directors are required to make judgements and estimates that affect the amounts recognised in the financial statements.

•Judgements involve decisions made when applying accounting policies in situations where the outcome is uncertain. The uncertainty is about how the accounting policy should be applied, rather than the numerical amount to report.

•Estimates involve assumptions about future events or conditions that are inherently uncertain. The uncertainty is about quantifying an amount in the financial statements.

The directors base their judgements and estimates on historical experience and other factors they consider reasonable under the circumstances. Actual outcomes may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period of revision if they affect only that period, or in the period of revision and future periods if both are affected.

Judgements

The directors have not made any critical judgements in applying the company's accounting policies that are expected to have a material effect on the financial statements.

Estimates

The key sources of estimation uncertainty that could materially affect the financial statements are:

•Doubtful Debt Provisions

Provisions for doubtful debts are determined based on the directors' assessment of the recoverability of individual receivables. This assessment considers the ageing of balances, specific knowledge of customers' financial circumstances, and historical patterns of default. The directors apply a prudent approach in estimating the likelihood of non-recovery.

•Provisions for Obsolete or Slow-moving Stock

Stock is reviewed regularly, and provisions are made where the directors consider that the net realisable value of certain stock lines is lower than cost. The estimated net realisable value is determined by reference to actual selling prices achieved post year-end or, where unavailable, to the directors' best estimates informed by historical sales trends and current market conditions.

Turnover

Turnover represents revenue arising from the company's principal activities of aluminium diecasting and related design and simulation services. Revenue is measured at the fair value of the consideration received or receivable, net of value added tax, rebates and discounts.

Revenue is recognised as follows:

•Sale of goods (castings and components): Revenue is recognised when control of the goods passes to the customer, usually on delivery in accordance with the terms of the contract.

•Design, simulation and other services: Revenue from services is recognised upon delivery of the services.

•Tooling and development contracts: Revenue from the design and supply of bespoke tooling is recognised when the significant risks and rewards of ownership transfer to the customer, normally on completion and acceptance of the tooling.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2011, is being amortised evenly over its estimated useful life of twenty years.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

2. ACCOUNTING POLICIES - continued

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of 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 - 10% on cost

Fixture and fittings - 10% & 33% on cost

Motor vehicle - 33% on cost

Computer equipment - 33% on cost

Stocks

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

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

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, and loans to and from banks and related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

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

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

2. ACCOUNTING POLICIES - continued

Deferred tax

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

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

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

Research and development

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. 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.

Pension costs and other post-retirement benefits

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

Grant income

Research and development and other government grants are recognised as "Other income" in the Income Statement, matched against the related expenditure where applicable, when there is reasonable assurance that the conditions attached to the grants will be met and that the grant will be received.

Finance costs

Finance costs are charged to the income statement 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.

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	31.3.25	31.3.24
	£	£
United Kingdom	10,972,536	11,038,354
Europe	1,164,190	1,391,498
United States of America	1,054,275	1,723,744
	<u>13,191,001</u>	<u>14,153,596</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

4. OTHER OPERATING INCOME

Other income comprise of the following:

	31.3.25 £	31.3.24 £
Inter-company recharge	270,607	39,773
R&D grants	657,943	-
Government grants	<u>138,374</u>	<u>26,861</u>
	<u><u>1,066,924</u></u>	<u><u>66,634</u></u>

5. EMPLOYEES AND DIRECTORS

	31.3.25 £	31.3.24 £
Wages and salaries	3,639,332	3,352,216
Social security costs	361,278	344,597
Other pension costs	<u>99,142</u>	<u>90,155</u>
	<u><u>4,099,752</u></u>	<u><u>3,786,968</u></u>

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

	31.3.25	31.3.24
Director	1	1
Management	8	9
Production	67	69
Design and administration	<u>15</u>	<u>16</u>
	<u><u>91</u></u>	<u><u>95</u></u>
	31.3.25 £	31.3.24 £
Director's remuneration	24,712	20,500
Director's pension contributions to money purchase schemes	<u>741</u>	<u>618</u>

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

Money purchase schemes	<u><u>1</u></u>	<u><u>1</u></u>
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6. OPERATING PROFIT

The operating profit is stated after charging:

	31.3.25 £	31.3.24 £
Depreciation - owned assets	174,765	219,234
Depreciation - assets on hire purchase contracts	178,557	141,520
Loss on disposal of fixed assets	36,767	-
Goodwill amortisation	5	5
Computer software amortisation	31,688	32,479
Foreign exchange differences	<u>44,077</u>	<u>30,233</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

7.	AUDITORS' REMUNERATION	31.3.25	31.3.24
		£	£
	Fees payable to the company's auditors for the audit of the company's financial statements	<u>17,000</u>	<u>22,079</u>
8.	INTEREST PAYABLE AND SIMILAR EXPENSES	31.3.25	31.3.24
		£	£
	Bank loan interest	8,480	18,683
	Factoring interest	170,283	154,260
	Other interest	54,306	6,985
	Other financing	-	10,876
	Hire purchase	<u>80,535</u>	<u>53,920</u>
		<u>313,604</u>	<u>244,724</u>
9.	TAXATION		
	Analysis of the tax charge/(credit)		
	The tax charge/(credit) on the profit for the year was as follows:	31.3.25	31.3.24
		£	£
	Current tax:		
	UK corporation tax	100,475	(266,956)
	Deferred tax	<u>(58,377)</u>	<u>173,796</u>
	Tax on profit	<u>42,098</u>	<u>(93,160)</u>
	Reconciliation of total tax charge/(credit) included in profit and loss		
	The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:		
		31.3.25	31.3.24
		£	£
	Profit before tax	<u>330,036</u>	<u>212,707</u>
	Profit multiplied by the standard rate of corporation tax in the UK of 25% (2024 - 25%)	82,509	53,177
	Effects of:		
	Expenses not deductible for tax purposes	13,990	19,008
	Capital allowances in excess of depreciation	(9,183)	-
	Research & development enhanced expenditure	-	(668,622)
	Effect of surrendering losses of tax credit allowances	-	400,433
	Change of rate in tax	-	102,844
	Effect of group relief	<u>(45,218)</u>	<u>-</u>
	Total tax charge/(credit)	<u>42,098</u>	<u>(93,160)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

10. DIVIDENDS

	31.3.25	31.3.24
	£	£
Ordinary shares of £1 each		
Interim	<u>278,200</u>	<u>125,000</u>

11. INTANGIBLE FIXED ASSETS

	Goodwill £	Computer software £	Totals £
COST			
At 1 April 2024 and 31 March 2025	<u>100</u>	<u>161,050</u>	<u>161,150</u>
AMORTISATION			
At 1 April 2024	67	113,527	113,594
Amortisation for year	<u>5</u>	<u>31,688</u>	<u>31,693</u>
At 31 March 2025	<u>72</u>	<u>145,215</u>	<u>145,287</u>
NET BOOK VALUE			
At 31 March 2025	<u>28</u>	<u>15,835</u>	<u>15,863</u>
At 31 March 2024	<u>33</u>	<u>47,523</u>	<u>47,556</u>

12. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2024	4,256,492	32,226	19,147	244,440	4,552,305
Additions	134,768	-	-	48,167	182,935
Disposals	<u>(152,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(152,200)</u>
At 31 March 2025	<u>4,239,060</u>	<u>32,226</u>	<u>19,147</u>	<u>292,607</u>	<u>4,583,040</u>
DEPRECIATION					
At 1 April 2024	2,170,315	25,983	19,147	218,704	2,434,149
Charge for year	314,767	2,419	-	36,136	353,322
Eliminated on disposal	<u>(65,933)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(65,933)</u>
At 31 March 2025	<u>2,419,149</u>	<u>28,402</u>	<u>19,147</u>	<u>254,840</u>	<u>2,721,538</u>
NET BOOK VALUE					
At 31 March 2025	<u>1,819,911</u>	<u>3,824</u>	<u>-</u>	<u>37,767</u>	<u>1,861,502</u>
At 31 March 2024	<u>2,086,177</u>	<u>6,243</u>	<u>-</u>	<u>25,736</u>	<u>2,118,156</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

12. TANGIBLE FIXED ASSETS - continued

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

	Plant and machinery £	Computer equipment £	Totals £
COST			
At 1 April 2024	1,617,511	26,966	1,644,477
Additions	-	44,000	44,000
At 31 March 2025	<u>1,617,511</u>	<u>70,966</u>	<u>1,688,477</u>
DEPRECIATION			
At 1 April 2024	363,652	18,630	382,282
Charge for year	161,751	16,806	178,557
At 31 March 2025	<u>525,403</u>	<u>35,436</u>	<u>560,839</u>
NET BOOK VALUE			
At 31 March 2025	<u>1,092,108</u>	<u>35,530</u>	<u>1,127,638</u>
At 31 March 2024	<u>1,253,859</u>	<u>8,336</u>	<u>1,262,195</u>

13. STOCKS

	31.3.25 £	31.3.24 £
Raw materials	211,039	179,535
Work-in-progress	1,568,642	889,559
Finished goods	257,497	890,150
	<u>2,037,178</u>	<u>1,959,244</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.25 £	31.3.24 £
Trade debtors	1,981,872	1,770,107
Amounts owed by group undertakings	262,078	-
Other debtors	482,803	798,998
Tax	824,424	266,956
Prepayments	85,203	94,177
Accrued income	-	94,091
Accrued grants	104,000	-
	<u>3,740,380</u>	<u>3,024,329</u>

The trade debtors balance, totalling £1,981,872 (2024: £1,770,107), is subject to invoice discounting arrangements. The trade debtor balances have been transferred to the counterparty; however, as the company has retained substantially all the risks and rewards of ownership, the transaction does not qualify for derecognition. Accordingly, the related liability is recognised within other creditors, amounting to £1,895,461 (2024: £1,375,228).

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.25	31.3.24
	£	£
Bank loans and overdrafts (see note 17)	31,250	125,000
Other loans (see note 17)	321,896	169,477
Hire purchase contracts (see note 18)	223,874	335,682
Trade creditors	1,560,436	1,739,761
Amounts owed to group undertakings	-	15,350
Social security and other taxes	606,482	159,768
Pension	19,840	20,158
Net wages	29,457	31,431
VAT	384,018	105,585
Other creditors - Factoring facility	1,895,461	1,375,228
Credit card	11,807	-
Deferred income	-	94,091
Accrued expenses	42,387	125,598
Deferred government grants	12,293	12,293
	5,139,201	4,309,422

16. CREDITORS MORE THAN ONE YEAR

	31.3.25	31.3.24
	£	£
Bank loans (see note 17)	-	31,250
Hire purchase contracts (see note 18)	391,094	543,308
Amounts owed to group undertakings	-	1,806
Deferred government grants	39,570	56,373
	430,664	632,737

17. LOANS

An analysis of the maturity of loans is given below:

	31.3.25	31.3.24
	£	£
Amounts falling due within one year or on demand:		
Bank loans	31,250	125,000
Other loans	321,896	169,477
	353,146	294,477
Amounts falling due between one and two years:		
Bank loans - 1-2 years	-	31,250

Repayments of a £500,000 bank loan commenced 13 months after the date on which the loan was drawn. The loan is now being repaid over 4 years. Interest is charged at 3.48% above the banks base rate, with no interest charged during the first 12 months. As at 31st March 2025 the amount outstanding is £31,250.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	31.3.25	31.3.24
	£	£
Net obligations repayable:		
Within one year	223,874	335,682
Between one and five years	391,094	543,308
	614,968	878,990
	Non-cancellable operating leases	
	31.3.25	31.3.24
	£	£
Within one year	8,783	99,258
Between one and five years	119,312	192,686
	128,095	291,944

19. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.25	31.3.24
	£	£
Bank loans	31,250	156,250
Hire purchase contracts	614,968	878,990
	646,218	1,035,240

At the year end, the company had the following secured borrowings:

Bank loans: £31,250 (2024: £156,250)

The balance relates to a Coronavirus Business Interruption Loan Scheme (CBILS) facility. The loan is secured by a fixed and floating charge over all the assets and undertakings of the company, including a negative pledge.

Factoring facility: £1,895,461 (2024: £1,375,228)

The company has entered into an invoice discounting arrangement with Advantedge Commercial Finance Limited. The facility is secured by an all-assets debenture and by the assignment of trade debtors.

Other loan: £321,896 (2024: £169,477)

The company has a loan from Advantedge Commercial Finance Limited. The facility is secured by a debenture over all of the company's assets.

Hire purchase obligations: £614,968 (2024: £878,990)

Hire purchase contracts are secured by an all-assets debenture over the company's assets.

Other loans (post year-end): The company entered into loan agreement on 31 March 2025 with Birmingham City Council which was disbursed in the subsequent year (post year end in April 2025). Further details are disclosed in the Subsequent Events note. The loan is secured against all the assets of the company and its undertakings by way of a fixed and floating charge, including a negative pledge.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

20. PROVISIONS FOR LIABILITIES

	31.3.25	31.3.24
	£	£
Deferred tax		
Accelerated capital allowances	463,298	521,675
Timing difference-revaluation	<u>(22,206)</u>	<u>(22,206)</u>
	<u>441,092</u>	<u>499,469</u>
		Deferred tax
		£
Balance at 1 April 2024		499,469
Provided during year		<u>(58,377)</u>
Balance at 31 March 2025		<u>441,092</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.3.25	31.3.24
			£	£
750	Ordinary	£1	<u>750</u>	<u>750</u>

22. RESERVES

		Retained earnings
		£
At 1 April 2024		1,997,806
Profit for the year		287,938
Dividends		<u>(278,200)</u>
At 31 March 2025		<u>2,007,544</u>

23. PENSION COMMITMENTS

Included within other creditors is a pension commitments of £19,840 (2024: £20,158) payable shortly after year end.

24. ULTIMATE PARENT COMPANY

The ultimate parent undertaking is Nudation Limited, registered in England and Wales, registration number 08274704 and registered office address is at Torrington Avenue, Coventry, England, CV4 9AG. This company is controlled by Mr Thomas Nunan by virtue of majority shareholdings.

25. RELATED PARTY DISCLOSURES

The company is 100% owned by its ultimate parent, Nudation Ltd. As the consolidated financial statements of the ultimate parent are publicly available, the company has applied the exemption under section 33.1A of the Financial Reporting Standards from disclosing transactions with other group entities.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

26. SUBSEQUENT EVENTS

On 25 November 2024, the Company entered into a loan agreement with Birmingham City Council /Frontier Development Capital Limited for facilities totalling £500,000. The loan carries interest at 10% per annum, payable quarterly, and matures on 31 December 2027.

Following the year end, the Company had two draw downs on this loan in the amounts of £469,000 in April 2025 and £31,000 in July 2025, in accordance with the terms of this agreement. The loan is secured by a debenture over the assets of the Group companies together with cross-company guarantees.

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