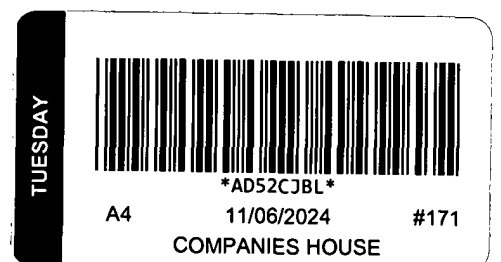


Company registration number 0556473 (England and Wales)

SPINCRAFT ETG LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023



SPINCRAFT ETG LIMITED

COMPANY INFORMATION

Directors	D A Dunbar L Paolillo
Secretary	JTC (UK) Limited
Company number	0556473
Registered office	The Scalpel 18th Floor 52 Lime Street London EC3M 7AF
Auditor	Deloitte LLP The Hanover Building Corporation Street Manchester M4 4AH

SPINCRAFT ETG LIMITED

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SPINCRAFT ETG LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present the strategic report for the year ended 30 June 2023.

Principal activities

The principal activity of the company continued to be that of metal spinning, presswork and fabrication.

Review of the business and Key Performance indicators

The results for the year are set out on page 8. The company's profit for the year after taxation was £839,126 (2022 - profit of £33,060). The company actively continues to actively manage trading performance. Appropriate investment in plant and equipment together with a continuous programme of market diversification and continued process development enables the company to maintain its lead over global competitors in its sector and satisfy more demanding customers. The company uses a number of financial and non-financial KPIs to measure performance.

The company's key financial and other performance indicators during the year were as follows:

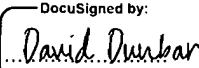
	Unit	2023	2022
Turnover	£	10,255,033	8,502,322
Gross margin	%	39	33
Operating margin	%	11	-

Principal risks and uncertainties

The directors have carefully considered the principal risks and uncertainties facing the business and consider these to be market conditions, adverse movements in raw material prices and foreign exchange rates along with general economic uncertainty. Whilst these risks and uncertainties are likely to persist into the foreseeable future the directors are reasonably confident that current levels of performance will again rise to prior levels, alongside a global economic recovery.

The company meets its day to day working capital requirements through its cash resources and operating cash flows. The current economic conditions continue to create an element of uncertainty over demand for the company's products and services but the company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company is expected to continue to have a sufficient level of financial resources available through its cash resources.

Approved and authorised for issue by the Board on 6 June 2024 and signed on its behalf by:

DocuSigned by:

 D A Dunbar
 Director

Date: 6 June 2024

SPINCRAFT ETG LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present their annual report and financial statements for the year ended 30 June 2023.

Results and dividends

Dividends paid during the year comprise an interim dividend of £Nil in respect of the year ended 30 June 2023 (2022 - £Nil). The directors do not recommend payment of a final dividend (2022: £Nil).

Directors

The directors who held office during the year and to the date of signing this report were as follows:

D A Dunbar

L Paolillo

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors, and the benefit of directors of the parent undertaking during the year, subject to the conditions set out in section 234 of the Companies Act 2006. These provisions remain in force at the reporting date.

Political donations

There were no political donations in the year.

Financial instruments

Liquidity risk is the risk that the company does not have sufficient liquid assets to meet its obligations as they fall due. Liquidity is maintained at a prudent level and the company ensures that there is an adequate liquidity buffer to cover contingencies. The company maintains sufficient cash and open committed credit lines from its bankers to meet its funding requirements.

Interest rate risk is the risk that interest rates move in such a way as to make borrowing costs unaffordable. This risk is not perceived as being material to the company as the borrowing agreements in place within the parent company are at fixed rates of interest.

The company's principal transactions in foreign currency arise directly from the company's operating activities. The main risk arises from the movement in the Euro exchange rate. The company does not consider the risk to be of such significance to warrant any hedging activity.

Credit risk is the risk of loss in value of financial assets due to counterparties failing to meet all or some of their obligations. The company performs on-going credit evaluation of its customers' financial condition in order to mitigate this risk.

SPINCRAFT ETG LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Going concern

The company has prepared detailed forecasts and projections for a period of at least 12 months from the date of signing these financial statements. The company's forecasts and projections show that the company is expected to continue to have a sufficient level of financial resources available through its current and future cash resources. The directors therefore consider that the company is well placed to manage its business risks successfully despite the economic uncertainty. The directors have also received confirmation from the ultimate parent company, Standex International Corporation Inc, of its continued financial support for at least 12 months from the approval of these financial statements.

Whilst all expectations of the future are inherently uncertain due to the current circumstances, after making enquiries, and alongside parent company support, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months from the approval of these financial statements. Accordingly, they continue to prepare the financial statements on a going concern basis.

Future developments

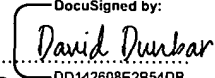
The directors continue to invest in the future success of the company.

Statement of disclosure to auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant audit information that they know of and of which they know the auditors are unaware.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Approved and authorised for issue by the Board and signed on its behalf by:

DocuSigned by:

D A Dunbar
Director

Date: 6 June 2024

SPINCRAFT ETG LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

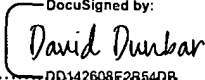
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved and authorised for issue by the Board and signed on its behalf by:

DocuSigned by:

.....DD142608E2854DB...
D A Dunbar
Director

Date 6 June 2024

SPINCRAFT ETG LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SPINCRAFT ETG LIMITED

Qualified opinion

We have audited the financial statements of Spincraft ETG Limited (the 'company') for the year ended 30 June 2023 which comprise the statement of income and retained earnings, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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, except for the possible effects of the matter, and the possible effects of the matter on the corresponding figures, described in the basis for qualified opinion section of our report, the financial statements of Spincraft ETG Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of income and retained earnings
- the statement of financial position
- the related notes 1 to 20.

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).

SPINCRAFT ETG LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SPINCRAFT ETG LIMITED

Basis for qualified opinion

Included in the financial statements at 30 June 2023 and 30 June 2022 are amounts due from group undertakings of £2,112,640 (2022: £2,241,677) and amounts due to group undertakings of £73,191 (2022: £73,191) respectively. Of these balances, for a net debit position of £2,243,801 for both periods, we were unable to obtain sufficient appropriate audit evidence because management does not have financial information dating back to the inception of some of these balances. Consequently, we were unable to determine whether any adjustment to these amounts was necessary. Our audit opinion on the financial statements for the year ended 30 June 2022 was modified accordingly.

Furthermore, we were not appointed as auditor of the company until after 30 June 2021 and thus did not observe the counting of physical inventories for the financial year ended 30 June 2021. We were unable to satisfy ourselves by alternative means concerning the inventory quantities of £1,399,967 held at 30 June 2021 by using other audit procedures. Consequently, we were unable to determine whether there was any consequential effect on the cost of sales for the year ended 30 June 2022. Our audit opinion on the financial statements for the year ended 30 June 2022 was modified accordingly. Our opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

In addition, were any adjustment to the intercompany balance to be required, the strategic report would also need to be amended.

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 Financial Reporting Council's (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 qualified opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the net amounts due from group undertakings of £2,243,801 held at 30 June 2023 and 30 June 2022. We have concluded that where the other information refers to the amounts due from group undertakings balances, or related balances, it may be materially misstated for the same reason. As also described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the comparability of the current year's results of operations affected by opening inventories of £1,399,967 and the corresponding figures. We have concluded that where the other information refers to cost of sales, it may be materially misstated for the same reason.

SPINCRAFT ETG LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SPINCRAFT ETG LIMITED

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

SPINCRAFT ETG LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SPINCRAFT ETG LIMITED

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

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework[s] that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Revenue recognition: Revenue carries a presumed significant risk due to fraud in the current year. The significant risk has been focused on cut-off, based on the shipping terms and locations of customers, focusing on pre year-end and post year-end sales due to timing of shipping and the associated revenue recognition. The procedures performed to address this risk included testing the design and implementation of relevant controls and performing test of detail by tracing transactions from the general ledger either side of year end to invoices and related shipping documents and cash receipts.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance

SPINCRAFT ETG LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SPINCRAFT ETG LIMITED

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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.

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Arising solely from the limitation on the scope of our work relating to amounts due to and by group undertakings balances, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been kept.

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

Use of our report

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



Matthew Smith
Senior Statutory Auditor
For and on behalf of Deloitte LLP

Statutory Auditor

Date: 6 June 2024

Corporation Street
Manchester
M4 4AH

SPINCRAFT ETG LIMITED**STATEMENT OF INCOME AND RETAINED EARNINGS****FOR THE YEAR ENDED 30 JUNE 2023**

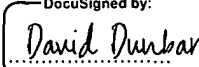
	Notes	2023 £	2022 £
Turnover	3	10,255,033	8,502,322
Cost of sales		(6,219,470)	(5,694,947)
Gross profit		4,035,563	2,807,375
Distribution costs		(184,343)	(106,196)
Administrative expenses		(2,764,879)	(2,587,090)
Other operating income/(expenses)		49	(110,868)
Profit before taxation		1,086,390	3,221
Tax on profit	8	(247,264)	29,839
Profit for the financial year		839,126	33,060
Retained earnings brought forward		6,842,931	6,809,871
Retained earnings carried forward		7,682,057	6,842,931

The above results were derived from continuing operations.

SPINCRAFT ETG LIMITED**BALANCE SHEET****AS AT 30 JUNE 2023**

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Intangible assets	9		47,183		109,466
Tangible assets	10		1,424,557		1,208,440
			<u>1,471,740</u>		<u>1,317,906</u>
Current assets					
Stocks	11	1,321,413		1,163,985	
Debtors	12	5,444,805		5,223,791	
Cash at bank and in hand		2,314,537		1,267,711	
			<u>9,080,755</u>	<u>7,655,487</u>	
Creditors: amounts falling due within one year	13	(2,656,548)		(1,980,462)	
Net current assets			<u>6,424,207</u>		<u>5,675,025</u>
Total assets less current liabilities			<u>7,895,947</u>		<u>6,992,931</u>
Provisions for liabilities					
Deferred tax liability	14	63,890		-	
			<u>(63,890)</u>		<u>-</u>
Net assets			<u>7,832,057</u>		<u>6,992,931</u>
Capital and reserves					
Called up share capital	16		150,000		150,000
Profit and loss reserves	17		7,682,057		6,842,931
Shareholders' funds			<u>7,832,057</u>		<u>6,992,931</u>

The financial statements were approved by the board of directors and authorised for issue on 6 June 2024 and are signed on its behalf by:

DocuSigned by:

 D A Dunbar
 Director

Company Registration No. 0556473

SPINCRAFT ETG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

Company information

The company is a private company limited by share capital, incorporated in United Kingdom under the Companies Act 2006, and registered in England & Wales.

The address of its registered office is The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Standex International Corporation Inc.. These consolidated financial statements are available from its registered office, 11 Keewaydin Drive, Salem, New Hampshire 03079, United States of America.

1.2 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report on page 1.

The company has prepared detailed forecasts and projections for a period of at least 12 months from the date of signing these financial statements. The company's forecasts and projections show that the company is expected to continue to have a sufficient level of financial resources available through its current and future cash resources. The directors therefore consider that the company is well placed to manage its business risks successfully despite the economic uncertainty. The directors have also received confirmation from the ultimate parent company, Standex International Corporation Inc, of its continued financial support for at least 12 months from the approval of these financial statements.

Whilst all expectations of the future are inherently uncertain due to the current circumstances, after making enquiries, and alongside parent company support, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months from the approval of these financial statements. Accordingly, they continue to prepare the financial statements on a going concern basis.

SPINCRAFT ETG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

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

Development costs	Straight line over the length of the customer contract.
Software	Straight line over the life of the asset

1.5 Tangible fixed assets

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

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

Long leasehold property	50 years straight line
Plant and machinery	4 to 15 years straight line

1.6 Impairment of fixed assets

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.

For the purposes of impairment testing, 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 largely independent of the cash inflows from other assets or groups of assets.

SPINCRAFT ETG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. During the year, stocks are assessed for impairment. If stocks are 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.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet 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 debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

SPINCRAFT ETG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.9 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or directly in equity is also recognised directly in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is recognised as taxable profit for the current and past periods. 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 taxable income.

Deferred tax

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

1.10 Retirement benefits

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

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

SPINCRAFT ETG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies (Continued)

1.12 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements 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 considered to be no significant judgements that management has made in the process of applying the entity's accounting policies which affect the amounts recognised in the financial statements.

3 Turnover

	2023	2022
	£	£
Turnover analysed by class of business		
Sale of goods	10,255,033	8,502,322
	<u>10,255,033</u>	<u>8,502,322</u>
	2023	2022
	£	£
Turnover analysed by geographical market		
UK	5,578,973	6,622,045
Europe	2,295,292	992,446
Rest of world	2,380,768	887,831
	<u>10,255,033</u>	<u>8,502,322</u>

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	9,102	(26,556)
Research and development costs	10,421	-
Depreciation of owned tangible fixed assets	209,276	233,085
Profit on disposal of tangible fixed assets	(3,500)	-
Amortisation of intangible assets	62,283	80,690
Operating lease charges	103,721	130,083
	<u>491,283</u>	<u>417,303</u>

SPINCRAFT ETG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

5 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	28,800	28,800
	<u>28,800</u>	<u>28,800</u>

Non audit fees in the year were £nil (2022: £nil).

Audit fees above include the audit fee for its parent company Precision Engineering International Limited.

6 Employees

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

	2023	2022
	Number	Number
Production	18	18
Administration and support	20	19
Total	<u>38</u>	<u>37</u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	1,889,016	1,658,479
Social security costs	218,535	199,913
Pension costs	98,476	90,461
	<u>2,206,027</u>	<u>1,948,853</u>

7 Directors' remuneration

No remuneration was paid to the directors (2022: £nil).

8 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	164,870	-
Adjustments in respect of prior periods	-	(35,380)
Total current tax	<u>164,870</u>	<u>(35,380)</u>

SPINCRAFT ETG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

8 Taxation	(Continued)	
	2023	2022
	£	£
Deferred tax		
Origination and reversal of timing differences	56,063	757
Changes in tax rates	12,320	4,664
Adjustment in respect of prior periods	14,011	120
Total deferred tax	<u>82,394</u>	<u>5,541</u>
Total tax charge/(credit)	<u>247,264</u>	<u>(29,839)</u>

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

	2023	2022
	£	£
Profit before taxation	<u>1,086,390</u>	<u>3,221</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.50% (2022: 19.00%)	222,710	612
Tax effect of expenses that are not deductible in determining taxable profit	527	8,149
Tax effect of income not taxable in determining taxable profit	(2,304)	(7,884)
Adjustments in respect of prior years	14,011	(35,380)
Effect of change in corporation tax rate	12,320	4,664
Taxation charge/(credit) for the year	<u>247,264</u>	<u>(29,839)</u>

9 Intangible fixed assets

	Development costs	Software	Total
	£	£	£
Cost			
At 1 July 2022 and 30 June 2023	<u>324,308</u>	<u>239,050</u>	<u>563,358</u>
Amortisation and impairment			
At 1 July 2022	278,057	175,835	453,892
Amortisation charged for the year	15,263	47,020	62,283
At 30 June 2023	<u>293,320</u>	<u>222,855</u>	<u>516,175</u>
Carrying amount			
At 30 June 2023	<u>30,988</u>	<u>16,195</u>	<u>47,183</u>
At 30 June 2022	<u>46,251</u>	<u>63,215</u>	<u>109,466</u>

SPINCRAFT ETG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

10 Tangible fixed assets

	Long leasehold property	Assets under construction	Plant and machinery	Total
	£	£	£	£
Cost				
At 1 July 2022	922,516	74,308	5,935,974	6,932,798
Additions	-	214,769	210,624	425,393
Disposals	-	-	(499)	(499)
At 30 June 2023	922,516	289,077	6,146,099	7,357,692
Depreciation and impairment				
At 1 July 2022	536,893	-	5,187,465	5,724,358
Depreciation charged in the year	42,040	-	167,236	209,276
Eliminated in respect of disposals	-	-	(499)	(499)
At 30 June 2023	578,933	-	5,354,202	5,933,135
Carrying amount				
At 30 June 2023	343,583	289,077	791,897	1,424,557
At 30 June 2022	385,623	74,308	748,509	1,208,440

11 Stocks

	2023 £	2022 £
Raw materials and consumables	371,040	248,019
Work in progress	882,454	898,207
Finished goods and goods for resale	67,919	17,759
	1,321,413	1,163,985

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	2,002,619	2,505,838
Amounts owed by group undertakings	2,112,640	2,241,677
Other debtors	120,296	166,531
Prepayments and accrued income	1,209,250	291,241
	5,444,805	5,205,287
Deferred tax asset (note 14)	-	18,504
	5,444,805	5,223,791

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

SPINCRAFT ETG LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2023****13 Creditors: amounts falling due within one year**

	2023	2022
	£	£
Trade creditors	2,063,213	1,380,281
Amounts owed to group undertakings	73,191	73,191
Taxation and social security	70,281	65,434
Other creditors	115,620	49,750
Accruals and deferred income	334,243	411,806
	<u>2,656,548</u>	<u>1,980,462</u>

Corporation tax liabilities have been reclassified into Amounts owed by group undertakings as there is a Group payment arrangement.

Amounts due to group undertakings are unsecured, interest free and are repayable on demand.

14 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities	Liabilities	Assets	Assets
	2023	2022	2023	2022
	£	£	£	£
Balances:				
Accelerated capital allowances	63,890	-	-	18,504
	<u>63,890</u>	<u>-</u>	<u>-</u>	<u>18,504</u>
Movements in the year:				2023
				£
Asset at 1 July 2022				(18,504)
Charge to profit or loss				68,383
Effect of change in tax rate - profit or loss				14,011
				<u>63,890</u>
Liability at 30 June 2023				<u>63,890</u>

15 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	98,476	90,461
	<u>98,476</u>	<u>90,461</u>

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

Contributions totalling £18,335 (2022 - £15,056) were payable to the scheme at the end of the year and are included in creditors.

SPINCRAFT ETG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

16 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	150,000	150,000	150,000	150,000
	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>

17 Profit and loss reserves

This reserve records the retained earnings of the company.

18 Operating lease commitments

Lessee

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

	2023	2022
	£	£
Within one year	22,358	49,809
Between two and five years	49,030	61,038
In over five years	481,708	492,058
	<u>553,096</u>	<u>602,905</u>

19 Related party transactions

The company has taken advantage of the exemption under Section 33 of FRS 102 from disclosing transactions with members or investees of the Standex International Corporation Inc. group.

20 Ultimate controlling party

The company's immediate parent is Precision Engineering International Limited., incorporated in England and Wales.

The parent of the smallest and largest group for which consolidated financial statements are prepared that include the results of the company is Standex International Corporation Inc. These financial statements are available upon request from its registered office, its registered address, 11 Keewaydin Drive, Salem, New Hampshire 03079, United States of America and the group's website <https://ir.standex.com/> [ir.standex.com].

The ultimate parent company and the ultimate controlling party is Standex International Corporation Inc.