

Winder Power Limited

Registered number: 05446559

Annual report and financial statements

For the year ended 31 March 2022

WINDER POWER LIMITED

COMPANY INFORMATION

Directors	P D Matthews A G Mill A P Pinkney D P Crossland
Company secretary	A G Mill
Registered number	05446559
Registered office	Grangefield House Richardshaw Road Leeds LS28 6QS
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 5th Floor 3 Wellington Place Leeds LS1 4AP
Bankers	HSBC Bank PLC 33 Park Row Leeds LS1 1LD

WINDER POWER LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

Introduction

The Directors' present their Strategic Report for the year ended 31 March 2022.

Principal activity

The Company's principal activities are:

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

Business review

The Statement of Comprehensive Income is set out on page 11 and shows turnover for the year of £15.4m (2021: £17.6m). The Company made an operating profit of £250k (2021: £185k) for the year.

Turnover was lower in the year, this was primarily due to decreased activity from customers due to the Covid pandemic and a slowdown of transformer replacement projects. While turnover was lower the Company has been undertaking engineering reviews on all our transformers to look to improve margin, this has been successful over the last 2 years and continues to be a key focus for the Company.

The UK Distribution Network Operators (DNO's), the regional monopolies controlled by Ofgem to deliver power from producers to end customers, continue to be the largest purchasers of transformers and related services in the UK. 2015 was the beginning of a new eight year price control period (RIIO ED1) for the DNOs; while the orders can fluctuate annually the visibility of the contracted spend over the framework term is good. The next control period (RIIO ED2) will start in 2023 and a significant increase in spend has been agreed for all the UK DNO's, this is to help the UK prepare for electrification and decarbonization of the UK economy. An example of this is Electric Vehicle charging, currently there are less than 40,000 vehicle chargers in the UK. However it is estimated that 4.5m will be required in London and the South East alone by 2030. This is a huge increase in the power required to be delivered across the distribution network and its transformers.

The Company entered into new framework agreements with Scottish and Southern Energy Networks in December 2020 and National Grid Electricity Distribution in April 2021. The renewal of these framework agreements highlight the focus on quality and value for money delivered by the Company. The Company has continued to be successful in securing long term contracts, primarily with the DNOs in the UK, where the business now has agreements in place with almost all of them. This represents a strong opportunity to increase turnover and profitability over the coming years as the requirement for additional electrical distribution infrastructure increases. Winder Power has more long-term framework agreements of 33/11kV transformer than any other company, putting it in a unique position to take advantage of the increased spend forecast by the DNO's.

The Company has continued to place health and safety at the heart of its activities. At 31 March 2022 the business had operated for over 9 years and 5 months without a lost time or reportable accident. This positive trend has continued into the new financial year. Our board recognises the very significant effort which the Company's employees have made in achieving these health and safety milestones. These efforts have been recognised externally with Winder Power Limited being presented with a Gold Award from the Royal Society for the Prevention of Accidents every year since 2017 and in 2022 won Commended status at the RoSPA awards.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

The Board continues to drive the business forward with employee wellbeing at the core of the Company's values while also maintaining its record on good corporate social responsibility. The business has recently introduced flexible working for all manufacturing employees in an effort to improve the work life balance for all employees. The Company is proud to display the Fair Tax Mark and continued membership of the 'Living Wage' foundation. All these initiatives have helped the Group to deliver a sickness/absence rate of around 1%, this level is very low by industry standard. The Board are also aware that while there are a number of the workforce who have been in the business for over 20 years we must ensure that skills are transferred to the next generation of employees, as such the business continues to invest in apprentices and looks to continue this in the future.

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

Principal risks and uncertainties

Going Concern

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

The Company has reported an operating profit and EBITDA before exceptional and non-recurring items of £250k and £556k, respectively (2021: operating loss of £1,699k and £549k) for the year ended 31 March 2022. The Company has an outstanding working capital facility of £3 million from its bankers, HSBC, which at 31 March 2022 was due for repayment in September 2023. Winder Power breached financial covenants due to the impact of COVID-19 on profitability during the year, however post year end it has received confirmation from HSBC that it will not rely on previously issued reservation of rights letter in relation to the previous covenant breaches. Due to this confirmation being received post year end the banking facilities must be shown as repayable on demand at 31 March 2022. Due to the improved trading post year end the Company has met covenants in September 2022 and is expected to meet all covenants going forward. The business has full credit committee approval for refinancing of the current facilities over a 3 year period. This is in the process of legal drafting and is expected to be completed in January 2023. As at 31 March 2022 the Company had £NIL undrawn facilities and cash of £567,731. Winder Power has to an extent been sheltered from the adverse economic impact of COVID-19 due to the output from the Transformer division. This was largely due to the framework agreements in place and the nature of its order book.

HSBC and Mercia, its key investor, have both supported the business through this time and subsequent to the year end. The business is expected to complete its refinanced banking facilities in January 2023. This will enable the business to take advantage of the significant opportunities in the UK transformer market. UK DNOs have had their spending limits agreed for the next 8 year regulatory period starting in 2023, a period where decarbonisation and electrification of the UK is required to meet the climate change targets set. All DNOs have proposed significant increases in electrical distribution asset investment, placing the Company in a strong position to take advantage of this increase through the frameworks agreements it already has in place with DNOs. The Group and the Company is trading profitably post year end and is on track to deliver EBITDA of £1.3m for the year ended 31 March 2023, this would be the highest ever for the business. This improvement in trading is on the back of sales orders received over the past 12 months exceeding £33m, another historical high for the business.

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

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Market Risk

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

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

Commodity Risk

Copper prices rose throughout 21/22: London Metal Exchange (LME) prices increased from around USD 8,500 to USD 10,500 per tonne throughout the year. Copper represents around one quarter of the Company's material costs, and the Company protects itself from the commodity price rises and movements in the US Dollar to Sterling exchange rate by agreeing with its customers to flex contract prices to reflect movements to LME prices.

Currency Risk

The Company purchases steel, copper and other components from Europe in Euros, and is therefore exposed to movements in the Euro to Sterling exchange rate. The exchange rate was relatively stable between 1.14 and 1.19 over the twelve months. In light of the EU referendum result, the Company has taken the decision to mitigate currency risk by buying currency forward and hedge against customers' orders received, so the tenor of these purchases is matched to the current length of the order book.

Credit Risk

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

Liquidity Risk

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

Employee retention risk

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

Research and development activities

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

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Other key performance indicators

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

The Company's financial performance is measured using turnover and EBITDA (earnings before interest, tax, depreciation and amortisation). Turnover of £15.5m was lower to last year, and the gross margins increased, for the reasons discussed above. EBITDA excluding exceptional and non recurring items for the year increased to £556k (2021: £549k).

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

A G Mill
Director

Date: 9 December 2022

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £24,020 (2021 - £253,703).

Dividends of £NIL (2021: £NIL) were paid to the shareholders during the year.

Directors

The directors who served during the year were:

P D Matthews
A G Mill
A P Pinkney

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Future developments

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

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

Engagement with employees

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

Disclosure of information to auditor

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

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

Auditor

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

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

A G Mill
Director

Date: 9 December 2022

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

Opinion

We have audited the financial statements of Winder Power Limited (the 'Company') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

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

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

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

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

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

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

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

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

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

Use of the audit report

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

Shaun Mullins (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants and Statutory Auditor

5th Floor

3 Wellington Place
Leeds
LS1 4AP

12 December 2022

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Turnover	4	15,448,994	17,613,489
Cost of sales		(11,903,973)	(14,208,032)
Gross profit		<u>3,545,021</u>	<u>3,405,457</u>
Distribution costs		(247,410)	(222,536)
Administrative expenses		(3,047,188)	(3,095,975)
Other operating income	5	-	98,017
Operating profit	6	<u>250,423</u>	<u>184,963</u>
Interest payable and similar expenses	10	(179,301)	(114,923)
Profit before tax		<u>71,122</u>	<u>70,040</u>
Tax on profit	11	(47,102)	183,663
Profit for the financial year		<u><u>24,020</u></u>	<u><u>253,703</u></u>

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2022 (2021: £NIL).

The notes on pages 14 to 33 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	101,079	143,949
Tangible assets	13	1,851,399	1,756,783
		<u>1,952,478</u>	<u>1,900,732</u>
Current assets			
Stocks	15	637,947	839,850
Debtors: amounts falling due within one year	16	11,925,470	11,260,474
Cash at bank and in hand	17	567,731	1,230,681
		<u>13,131,148</u>	<u>13,331,005</u>
Creditors: amounts falling due within one year	18	(9,991,958)	(10,251,676)
Net current assets		<u>3,139,190</u>	<u>3,079,329</u>
Total assets less current liabilities		<u>5,091,668</u>	<u>4,980,061</u>
Provisions for liabilities			
Deferred tax	20	(324,920)	(237,333)
Net assets		<u>4,766,748</u>	<u>4,742,728</u>
Capital and reserves			
Called up share capital	21	75,758	75,758
Share premium account	22	56,242	56,242
Profit and loss account	22	4,634,748	4,610,728
		<u>4,766,748</u>	<u>4,742,728</u>

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

A G Mill
Director

Date: 9 December 2022

The notes on pages 14 to 33 form part of these financial statements.

WINDER POWER LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2020	75,758	56,242	4,357,025	4,489,025
Comprehensive income for the year				
Profit for the year	-	-	253,703	253,703
At 1 April 2021	75,758	56,242	4,610,728	4,742,728
Comprehensive income for the year				
Profit for the year	-	-	24,020	24,020
At 31 March 2022	<u>75,758</u>	<u>56,242</u>	<u>4,634,748</u>	<u>4,766,748</u>

The notes on pages 14 to 33 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. General information

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

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

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Winder Power Holdings Limited as at 31 March 2022 and these financial statements may be obtained from Companies House.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.3 Going concern

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

The Company has reported an operating profit and EBITDA before exceptional and non-recurring items of £250k and £556k, respectively (2021: operating loss of £1,699k and £549k) for the year ended 31 March 2022. The Company has an outstanding working capital facility of £3 million from its bankers, HSBC, which at 31 March 2022 was due for repayment in September 2023. Winder Power breached financial covenants due to the impact of COVID-19 on profitability during the year, however post year end it has received confirmation from HSBC that it will not rely on previously issued reservation of rights letter in relation to the previous covenant breaches. Due to this confirmation being received post year end the banking facilities must be shown as repayable on demand at 31 March 2022. Due to the improved trading post year end the Company has met covenants in September 2022 and is expected to meet all covenants going forward. The business has full credit committee approval for refinancing of the current facilities over a 3 year period. This is in the process of legal drafting and is expected to be completed in January 2023. As at 31 March 2022 the Company had £NIL undrawn facilities and cash of £567,731. Winder Power has to an extent been sheltered from the adverse economic impact of COVID-19 due to the output from the Transformer division. This was largely due to the framework agreements in place and the nature of its order book.

HSBC and Mercia, its key investor, have both supported the business through this time and subsequent to the year end. The business is expected to complete its refinanced banking facilities in January 2023. This will enable the business to take advantage of the significant opportunities in the UK transformer market. UK DNOs have had their spending limits agreed for the next 8 year regulatory period starting in 2023, a period where decarbonisation and electrification of the UK is required to meet the climate change targets set. All DNOs have proposed significant increases in electrical distribution asset investment, placing the Company in a strong position to take advantage of this increase through the frameworks agreements it already has in place with DNOs. The Group and the Company is trading profitably post year end and is on track to deliver EBITDA of £1.3m for the year ended 31 March 2023, this would be the highest ever for the business. This improvement in trading is on the back of sales orders received over the past 12 months exceeding £33m, another historical high for the business.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.8 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Government grants

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

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

2.11 Borrowing costs

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

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.13 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.14 Intangible assets

Goodwill

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

Other intangible assets

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.16 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.17 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.19 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.20 Provisions for liabilities

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.21 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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 at 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. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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

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

Assessing indicators of impairment

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

Key sources of estimation uncertainty

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

(i) Long term contracts

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

4. Turnover

	2022 £	2021 £
Transformer supply and service	<u>15,448,994</u>	<u>17,613,489</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	15,033,832	17,286,464
Rest of Europe	355,876	327,025
Rest of the world	59,286	-
	<u>15,448,994</u>	<u>17,613,489</u>

5. Other operating income

	2022 £	2021 £
Government grant income	<u>-</u>	<u>98,017</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6. Operating profit

The operating profit is stated after charging:

	2022	2021
	£	£
Depreciation of tangible fixed assets	212,548	240,019
Amortisation of intangible assets	42,870	42,869
Research and development expense	677,911	597,976
Hire of plant and machinery - operating leases	75,843	75,392
Hire of other assets - operating leases	425,865	385,000
Non recurring costs	<u>49,965</u>	<u>86,076</u>

7. Auditor's remuneration

	2022	2021
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>29,750</u>	<u>21,450</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group financial statements of the parent Company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Employees

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

	2022	2021
	£	£
Wages and salaries	2,763,644	2,690,153
Social security costs	210,020	225,161
Cost of defined contribution scheme	86,890	163,625
	<u>3,060,554</u>	<u>3,078,939</u>

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

	2022	2021
	No.	No.
Manufacturing	46	45
Administration and management	32	31
	<u>78</u>	<u>76</u>

9. Directors' remuneration

	2022	2021
	£	£
Directors' emoluments	343,314	319,493
Company contributions to defined contribution pension schemes	57,951	50,284
	<u>401,265</u>	<u>369,777</u>

During the year retirement benefits were accruing to 3 directors (2021 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £127,368 (2021 - £123,887).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £20,888 (2021 - £18,372).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	<u>179,301</u>	<u>114,923</u>

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	(70,615)	(91,000)
Adjustments in respect of previous periods	30,130	(114,063)
	<u>(40,485)</u>	<u>(205,063)</u>
Total current tax	<u>(40,485)</u>	<u>(205,063)</u>
Deferred tax		
Origination and reversal of timing differences	10,844	3,920
Adjustments in respect of previous periods	1,365	17,480
Effect of tax rate change on opening balance	75,378	-
	<u>87,587</u>	<u>21,400</u>
Total deferred tax	<u>87,587</u>	<u>21,400</u>
Taxation on profit on ordinary activities	<u>47,102</u>	<u>(183,663)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>71,122</u>	<u>70,040</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	13,513	13,308
Effects of:		
Fixed asset differences	(7,165)	-
Expenses not deductible for tax purposes	153	138
Adjustments to tax charge in respect of prior periods	30,130	(96,583)
Adjustments to tax charge in respect of previous periods - deferred tax	1,365	-
Remeasurement of deferred tax for changes in tax rates	77,981	-
Other differences leading to an increase in the tax charge	210	12,719
Adjustment in research and development tax credit leading to a decrease in the tax charge	(91,000)	(91,000)
Surrender of tax losses for R&D tax credit refund	21,915	-
Group relief claimed	-	(22,245)
Total tax charge for the year	<u><u>47,102</u></u>	<u><u>(183,663)</u></u>

Factors that may affect future tax charges

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

12. Intangible assets

	Computer software £	Goodwill £	Total £
Cost			
At 1 April 2021	107,147	393,887	501,034
At 31 March 2022	<u>107,147</u>	<u>393,887</u>	<u>501,034</u>
Amortisation			
At 1 April 2021	21,429	335,656	357,085
Charge for the year	21,429	21,441	42,870
At 31 March 2022	<u>42,858</u>	<u>357,097</u>	<u>399,955</u>
Net book value			
At 31 March 2022	<u>64,289</u>	<u>36,790</u>	<u>101,079</u>
At 31 March 2021	<u>85,718</u>	<u>58,231</u>	<u>143,949</u>

The individual intangible asset which is material to the financial statements is goodwill of £393,887. This goodwill was generated when the Company acquired the trade and assets of R F Winder Electrical Limited and Newton Derby Limited for £752,813 on 24 June 2005. The remaining amortisation period as at 31 March 2022 is 1 year and 9 months.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. Tangible fixed assets

	Long term Leasehold Property £	Plant & machinery £	Fixtures & fittings £	Office equipment £	Total £
Cost					
At 1 April 2021	348,756	3,120,951	224,670	494,659	4,189,036
Additions	-	193,864	23,601	89,699	307,164
At 31 March 2022	<u>348,756</u>	<u>3,314,815</u>	<u>248,271</u>	<u>584,358</u>	<u>4,496,200</u>
Depreciation					
At 1 April 2021	215,799	1,599,917	193,578	422,959	2,432,253
Charge for the year	14,739	162,683	12,984	22,142	212,548
At 31 March 2022	<u>230,538</u>	<u>1,762,600</u>	<u>206,562</u>	<u>445,101</u>	<u>2,644,801</u>
Net book value					
At 31 March 2022	<u>118,218</u>	<u>1,552,215</u>	<u>41,709</u>	<u>139,257</u>	<u>1,851,399</u>
At 31 March 2021	<u>132,957</u>	<u>1,521,034</u>	<u>31,092</u>	<u>71,700</u>	<u>1,756,783</u>

14. Fixed asset investments

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

R F Winder Electrical Limited

Newton Derby Limited

Countryman Defence Limited

Control Instruments Limited

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

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

WINDER POWER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Stocks

	2022	2021
	£	£
Work in progress	<u>637,947</u>	<u>839,850</u>

16. Debtors

	2022	2021
	£	£
Trade debtors	3,519,597	3,499,412
Amounts owed by group undertakings	3,122,665	3,103,639
Other debtors	238,939	119,838
Prepayments and accrued income	201,639	257,751
Amounts recoverable on long term contracts	4,711,191	4,075,636
Tax recoverable	131,439	204,198
	<u>11,925,470</u>	<u>11,260,474</u>

17. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	<u>567,731</u>	<u>1,230,681</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

18. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Bank loans	3,598,333	3,891,667
Trade creditors	2,280,396	3,031,971
Other taxation and social security	1,085,921	1,007,513
Other creditors	25,614	29,797
Accruals and deferred income	3,001,694	2,290,728
	<u>9,991,958</u>	<u>10,251,676</u>

Included within Accruals and deferred income are amounts due to customers (deferred income) for on-going contract work totalling £2,983,190 (2021: £1,865,725).

See note 19 'Loans' for details of security, repayment dates and interest charges on the bank loans above.

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

19. Loans

Analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year		
Bank loans	<u>3,598,333</u>	<u>3,891,667</u>

The bank loan is secured by way of fixed and floating charge over all assets of the company. As at 31 March 2022, the loan attracts interest at 3.75% above base rate, with £3 million being repayable in full in October 2023 and £1 million being repayable in installments across the period ended the same date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

20. Deferred taxation

	2022 £	2021 £
At beginning of year	(237,333)	(215,933)
Charged to profit or loss	(87,587)	(21,400)
At end of year	<u>(324,920)</u>	<u>(237,333)</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Fixed asset timing differences	(331,083)	(242,100)
Other timing differences	6,163	4,767
	<u>(324,920)</u>	<u>(237,333)</u>

21. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
5,075,800 (2021 - 5,075,800) Ordinary shares of £0.01 each	50,758	50,758
2,500,000 (2021 - 2,500,000) 'A' Ordinary shares of £0.01 each	25,000	25,000
	<u>75,758</u>	<u>75,758</u>

22. Reserves**Share premium account**

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

Profit & loss account

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

23. Pension commitments

The Company operates a defined contribution personal pension scheme. The assets of the scheme are held separately from those of the company in a independently administered fund. The pension charge amounted to £187,002 (2021: £163,625). Contributions totalling £24,651 (2021: £20,161) were payable at the end of the financial year and are included in creditors due within 1 year.

24. Commitments under operating leases

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	2021
	£	£
Due within one year	381,603	413,947
Due between two to five years	1,575,000	1,793,521
Later than 5 years	-	175,000
	<u>1,956,603</u>	<u>2,382,468</u>

25. Related party disclosures

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

26. Ultimate controlling party

The Company is a subsidiary of Winder Power Holdings Limited which is the ultimate parent company incorporated in England and Wales.

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

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