Company registration number SC055532 (Scotland)

MACTAGGART, SCOTT & COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

MACTAGGART, SCOTT & COMPANY LIMITED

COMPANY INFORMATION

Directors	R G S Prenter	(Chairman)
	W P Marsh	
	A Tuff	
	W L Milroy	
	G A Davidson	(Managing Director)
	C G L Mann	
	S J Ritchie	
	A A W Waddell	(Appointed 01/05/2024)
	R M P Prenter	(Appointed 05/01/2026)
Secretary	R G S Prenter	
Company number	SC055532	
Registered office	Hunter Avenue Loanhead Midlothian EH20 9SL	
Auditor	MHA 6 St Colme Street Edinburgh EH3 6AD	

MACTAGGART, SCOTT & COMPANY LIMITED

CONTENTS

MACTAGGART, SCOTT & COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2025

The directors present the strategic report and financial statements for the year ended 30 April 2025.

Review of the business

The business increased turnover this year, up by 9.7%. A proportion of the work in this year has been first of class programmes and the Company has made significant progress towards completion but has resulted in provisions being taken to cover the extra costs incurred as well as updated forecast costs for the remaining scope. This has resulted in a loss for the year. However, the Company maintains a strong balance sheet, cash position and cash flow forecasts. It is forecast to return to profit in this coming financial year.

New orders of £79m were received in the year which strengthened the Company's order book.

The Company continues to invest in both Research & Development and capital expenditure in its production facilities, infrastructure and information technology. This is supported by training programmes across all skill sets from the Company Apprenticeship and Graduate Sponsorship Programmes to work related programmes throughout its established and skilled workforce.

A full actuarial valuation of the closed defined benefit pension scheme was carried out at 30 December 2021 and updated to 30 April 2025 by a qualified actuary. The company continues to contribute to the closed defined benefit pension scheme as per the current recovery plan.

MacTaggart Scott Australia Pty Limited, a wholly owned subsidiary of the Company, has performed well and remains a key supplier within the Australian defence industry.

Principal risks and uncertainties

Market Risk

The business is focussed on the design and manufacture of hydraulic, electro-hydraulic and mechanical handling equipment for the Naval Defence Industry in the UK and overseas defence markets. The main commercial risk is that customers delay or change their plans which in turn leads to capacity and utilisation challenges in engineering and production. The impact of such delays or changes on capacity plans is managed monthly through a formal Sales & Operations Planning process. Price and lead time is increasingly becoming an important differentiator in securing new business.

Price Risk

The Company is reliant on certain raw materials in its manufacturing processes which are mainly expensive non-ferrous, copper and nickel based metals. The volatility of these markets can be high and can result in significant cost increases between the contract prices the Company bids, to the price it pays when these are purchased. To mitigate this risk, traditionally it looks to agree long term pricing with its supply chain. However, in the current volatile market conditions there are fewer long term pricing agreements with suppliers. To minimise exposure, MacTaggart Scott offers significantly reduced validity periods for all new bids to customers. Where possible it negotiates fluctuation clauses within new contracts to cover any significant base price increases out with its control. The Company is also transitioning to move from a traditional contracting model of a combined 'Design & Build' contract, to the less risky approach of an initial 'Design' contract followed later by a separate 'Build' contract once the design has been approved. While this is not always possible, the Company has had success in the UK with this approach.

Liquidity Risk

The Company's financial instruments comprise cash at bank, bank guarantees and short term liquid investments. The main purpose of these financial instruments is to provide adequate finance for the Company's operations.

Currency Risk

The Company aims to contract with overseas customers in GBP wherever possible. Whilst relatively small, the Company is, however, exposed to exchange rate risk which arises as a result of contracting with customers and suppliers in currencies other than sterling. It is the Company's policy to constantly monitor the level of currency exposure and to operate 'natural hedging' arrangements where possible. Where this is not possible, forward foreign currency hedging arrangements are utilised where the risk is deemed significant.

Business Continuity

The company has a Business Continuity Plan which is reviewed regularly to ensure that risks are constantly updated and mitigation plans are still appropriate while keeping this relevant within the business.

Development and performance

The Company sets itself challenging financial targets to monitor, control and deliver long term, sustained performance.

Turnover represents the proportion of contract activity that is considered to have been completed in the year, together with sales of spares and other ancillary activities. All turnover is shown exclusive of VAT. Total turnover shows an increase of 9.7% on the previous year with 67% relating to the UK.

Contributions to the company defined contribution pension scheme are charged to the profit and loss account in the period to which they relate. Contributions payable to the Company's closed defined benefit pension scheme are charged against the pension scheme liability. The pension charge is calculated on the basis of actuarial advice.

For the financial year to 30 April 2025, the Company returned a loss. Looking forward, the Company is forecasting a return to profit before tax in the next financial year.

A dividend of £352,236 was declared from the Company's wholly owned subsidiary MacTaggart Scott Australia Pty Limited.

Key performance indicators

The Board uses a range of financial and non-financial performance indicators to monitor the Company's performance benchmarking against objectives.

Health and Safety

The Board takes the health and safety of its employees very seriously and the Company has made considerable investment in this area. The Health and Safety Committee meet monthly to discuss all aspects of health and safety and drive continuous improvement.

Promoting the success of the company

The Board of Directors actively promotes the success of the Company, and acts in a way we consider, in good faith, that acknowledges and benefits stakeholders as a whole.

Employees

The Board fully recognises its responsibility to care for all employees and to grow and develop key skills. Employee numbers are in line with current capacity plans and remain under review in order to meet future order book needs.

We value our people and recognise their importance to the success of the Company. We are committed to providing a fulfilling, safe and enjoyable place to work that will help deliver both personal and business goals

Community & Environment

We understand our importance as an employer to the local community and our responsibility to the environment. We actively work to sponsor and support community projects and to minimise the impact our Business has on the environment.

Investors

We are grateful for the continuing support of our shareholders and are committed to protecting and managing their investment in a responsible and sustainable way.

Customers

Our strategy is to build long term and valued customer relationships where we work to understand customer requirements and then provide engineering excellence, product innovation and value for money.

Suppliers
Our supply chain is key to our success and therefore our strategy is to build long term 'partnerships' together with collaborative, ethical and sustainable working practices.

Government & Regulators
The Directors promote values we consider fundamental to our reputation, including honesty, integrity, respect for people and concern for the environment. MacTaggart Scott has a Code of Ethics which emphasises social and environmental responsibility. This code includes the Company's compliance with the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act 1977.

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By order of the board

R G S Prenter
Secretary

29 January 2026

MACTAGGART, SCOTT & COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2025

The directors present their report and financial statements for the year ended 30 April 2025.

Principal activities

The company's principal activity during the year continued to be the design, manufacture, installation and support of hydraulic, electro-hydraulic and mechanical handling equipment for the Naval Defence Industry in both home and export defence markets.

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £284,500. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R G S Prenter	
W P Marsh	
A Tuff	
W L Milroy	
G A Davidson	
C G L Mann	
S J Ritchie	
A A W Waddell	(Appointed 1 May 2024)
M S Venman	(Appointed 1 May 2024 and resigned 23 February 2025)
R M P Prenter	(Appointed 5 January 2026)

Gary Davidson was appointed Managing Director on 1 May 2024.

In accordance with the articles of association, GA Davidson, WL Milroy and CGL Mann retire by rotation at the annual general meeting and, being eligible, offer themselves for re-election.

Disabled persons

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Employee involvement

The company's policy is to consult and discuss with employees, through their representatives and at meetings, matters likely to affect employees' interests.

Information on matters of concern to employees is given through bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Auditor

The auditor, MHA, previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP.

MHA will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

MACTAGGART, SCOTT & COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2025

Energy and carbon report

Scope 1 and 2 energy consumption data in Kwh is obtained directly from billing data or by converting carbon fuels to Kwh using published conversion factors. The conversion of Kwh to Co2 emissions is calculated by reference to the UK Government's published conversion factors for company reporting.

The company consumed 5,614,204 Kwh (Last Year: 5,868,262) in the year to April 2025 with a resultant greenhouse gas emission of 1,101 tonnes of CO2 equivalent (Last Year: 1,146). The company generated turnover of £51,694,923 (Last Year: £47,132,060) in this period and the resultant energy measure is 21.29 tonnes of CO2 equivalent per £m (Last Year: 24.32). The company seeks to consistently improve energy efficiency and is regularly audited on our ISO14001 standards.

We have followed the HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the June 2023 UK Government's Conversion Factors for Company Reporting.

Statement of directors' responsibilities

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). 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board

R G S Prenter
Secretary

29 January 2026

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MACTAGGART, SCOTT & COMPANY LIMITED

Opinion

We have audited the financial statements of MacTaggart, Scott & Company Limited (the 'company') for the year ended 30 April 2025 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2025 and of its loss 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. 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 our 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.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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.

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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Iain Binnie (Senior Statutory Auditor)
For and on behalf of MHA, Statutory Auditor
6 St Colme Street
Edinburgh
EH3 6AD
29 January 2026

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

MACTAGGART, SCOTT & COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2025

	Notes	2025 £	2024 £
Turnover	**3**	51,694,923	47,132,060
Cost of sales		(48,021,931)	(38,921,240)
Gross profit		3,672,992	8,210,820
Distribution costs		(74,183)	(76,237)
Administrative expenses		(8,189,237)	(7,334,171)
Other operating income		315,731	208,008
Operating (loss)/profit	**4**	(4,274,697)	1,008,420
Interest receivable and similar income	**8**	458,788	546,860
Interest payable and similar expenses	**9**	(15,818)	(29,394)
(Loss)/profit before taxation		(3,831,727)	1,525,886
Tax on (loss)/profit	**10**	241,903	(318,649)
(Loss)/profit for the financial year		(3,589,824)	1,207,237

The profit and loss account has been prepared on the basis that all operations are continuing operations.

MACTAGGART, SCOTT & COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2025

	2025	2024
	£	£
(Loss)/profit for the year	(3,589,824)	1,207,237
Other comprehensive income		
Actuarial loss on defined benefit pension schemes	(172,000)	(1,024,000)
Total comprehensive income for the year	(3,761,824)	183,237

MACTAGGART, SCOTT & COMPANY LIMITED

BALANCE SHEET

AS AT 30 APRIL 2025

				Restated	
		2025		**2024**	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	**12**		7,355,479		6,708,454
Investments	**13**		2		2
			7,355,481		6,708,456
Current assets					
Stocks	**15**	28,879,189		22,620,737	
Debtors	**16**	16,036,566		13,806,432	
Cash at bank and in hand		7,384,531		3,100,520	
		52,300,286		39,527,689	
Creditors: amounts falling due within one year	**17**	(47,260,931)		(33,578,114)	
Net current assets			5,039,355		5,949,575
Total assets less current liabilities			12,394,836		12,658,031
Creditors: amounts falling due after more than one year	**18**		-		(113,495)
Provisions for liabilities					
Provisions	**20**	5,565,489		1,426,171	
Deferred tax liability	**21**	565,741		808,435	
			(6,131,230)		(2,234,606)
Net assets			6,263,606		10,309,930
Capital and reserves					
Called up share capital	**23**		100		100
Profit and loss reserves			6,263,506		10,309,830
Total equity			6,263,606		10,309,930

The financial statements were approved by the board of directors and authorised for issue on 29 January 2026 and are signed on its behalf by:

R G S Prenter
Director

Company Registration No. SC055532

MACTAGGART, SCOTT & COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2025

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 May 2023		100	10,574,913	10,575,013
Year ended 30 April 2024:				
Profit		-	1,207,237	1,207,237
Other comprehensive income:				
Actuarial gains on defined benefit plans		-	(1,024,000)	(1,024,000)
Total comprehensive income		-	183,237	183,237
Dividends	**11**	-	(448,320)	(448,320)
Balance at 30 April 2024		100	10,309,830	10,309,930
Year ended 30 April 2025:				
Loss		-	(3,589,824)	(3,589,824)
Other comprehensive income:				
Actuarial loss on defined benefit plans		-	(172,000)	(172,000)
Total comprehensive income		-	(3,761,824)	(3,761,824)
Dividends	**11**	-	(284,500)	(284,500)
Balance at 30 April 2025		100	6,263,506	6,263,606

1 Accounting policies

Company information
MacTaggart, Scott & Company Limited is a private company limited by shares incorporated in Scotland. The registered office is Hunter Avenue, Loanhead, Midlothian, EH20 9SL.

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 on 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 company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

The ultimate parent company is MacTaggart Scott (Holdings) Limited, a company registered in Scotland.

MacTaggart Scott (Holdings) Limited prepares group financial statements and copies can be obtained from Hunter Avenue, Loanhead, Midlothian, EH20 9SP.

1.2 Going concern
At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover
Turnover represents the proportion of contract activity that is considered to have been completed once agreed milestones have been achieved. Contracts undertaken relate to the design, manufacture, installation and support of hydraulic, electro-hydraulic and mechanical handling equipment for the Naval Defence Industry. Turnover also consists of the sale of spares and other anciliary services. All turnover is shown exclusive of VAT.

1.4 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.

1 Accounting policies **(Continued)**

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:

Freehold land and buildings	2% straight line on buildings
Plant and machinery	16.6% straight line
Fixtures, fittings & equipment	25% straight line
Computer equipment	33.3% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit and loss account.

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the profit and loss account.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Stock and work in progress

Stock is valued at the lower of cost and net realisable value in accordance with FRS 102. Work in progress on shortterm contracts is stated at cost, less any provision for foreseeable losses, limited to the value of work in progress and progress payments received or receivable. Where provisions exceed the carrying value of work in progress at the year end, the excess is presented separately on the balance sheet. Cost comprises direct labour, direct expenses and attributable overheads. In respect of long term contracts, profit is not taken unless agreed sub-divisions of these contracts are acknowledged as having been completed. Losses are provided for as soon as they arise.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments. Short-term liquid investments include Treasury Bills which typically have a maturity value of 3 months or less, and no more than 6 months.

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.

Debtors

Debtors with no stated interest rate or receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account.

1 Accounting policies **(Continued)**

Creditors

Creditors with no stated interest rate payable within one year are recorded at transaction price.

All interest bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.11 Provisions

A provision is recognised for an onerous contract when the unavoidable costs of meeting the Company's obligations under the contract exceed the economic benefits expected to be received from it. The unavoidable costs are the costs of fulfilling the contract including any compensation or penalties.

Onerous contract provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date, taking into account relevant risks and uncertainties. This is reviewed at each reporting date and adjusted to reflect the current best estimate.

Where provisions exceed the carrying value of work in progress at the year end, the excess is presented separately on the balance sheet.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies **(Continued)**

1.13 Retirement benefits

Contributions payable to the company's defined contribution pension scheme are charged to the profit and loss account in the period to which they relate.

Contributions payable to the company's defined benefit scheme are charged against the pension scheme liability in the financial statements. The pension charge is calculated on the basis of actuarial advice.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to the profit and loss account 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 lease asset are consumed.

1.15 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.

1.16 Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the assets and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised evenly over the period of expected future benefit. During the period of development the asset is tested for impairment annually.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Judgements and key sources of estimation uncertainty **(Continued)**

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful life of tangible assets
The company sets depreciation rates which reasonably reflect the probably economic life of an asset. The directors regularly review the policies for appropriateness. The directors also review of impairment when trigger events occur or annual as appropriate.

Revenue recognition
The company's revenue recognition policies are central to how the company values the work it has carried out in each financial period. The policies require forecasts to be made of the outcome of each long-term construction project which requires estimates to be made of both cost and income recognition on each contract. Cost forecasts include estimates of the final out-turn of each contract in addition to potential costs for maintenance and remedial work. Income forecasts include estimates for variations due to scope of work or potential customer claims, with judgements made as to the performance obligations within long term contracts. Estimates are reviewed regularly over the contract's life based on the latest available information and adjustments made where necessary.

Defined benefit pension scheme
The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty and year to year volatility. The directors rely on the experience and knowledge of the actuary when preparing the pension scheme figures. In determining the appropriate discount rate, the board considered the interest rates of corporate bonds in the respective currency with at least AA rating with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country and demographic. Future salary increases and pension increases are based on expected inflation rates.

Onerous contract provisions
Provisions for onerous contracts require management to estimate whether the unavoidable costs of fulfilling a contract will exceed the expected economic benefits. This assessment involves significant judgement because it depends on forwardlooking assumptions about project performance, cost escalation, technical risks, and customer behaviour.

Estimates are reviewed regularly over the contract's life based on the latest available information and adjustments made where necessary to provisions presented in the accounts.Where provisions exceed the carrying value of work in progress at the year end, the excess is presented separately on the balance sheet.

3 Turnover

Geographical market

	2025	2024
	£	£
United Kingdom	34,546,906	31,182,923
Rest of the world	17,148,017	15,949,137
	51,694,923	47,132,060

4 Operating (loss)/profit

Operating (loss)/profit for the year is stated after charging/(crediting):	2025 £	2024 £
Exchange losses/(gains)	86,529	(35,928)
Depreciation of owned tangible fixed assets	1,008,673	880,458
Depreciation of tangible fixed assets held under finance leases	203,723	222,079
Loss/(profit) on disposal of tangible fixed assets	8,918	(25,386)
Operating lease charges	48,410	41,461

5 Auditor's remuneration

Fees payable to the company's auditor and associates:	2025 £	2024 £
For audit services		
Audit of the financial statements of the company	46,100	42,640
For other services		
All other non-audit services	4,250	25,632

6 Employees

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

	2025 Number	2024 Number
Office and management	190	179
Manufacturing and installation	225	209
Total	415	388

Their aggregate remuneration comprised:

	2025 £	2024 £
Wages and salaries	19,514,411	17,334,075
Social security costs	2,005,783	1,775,972
Pension costs	1,157,623	1,057,500
	22,677,817	20,167,547

7 Directors' remuneration

	2025	2024
	£	£
Remuneration for qualifying services	1,015,312	1,116,749
Company pension contributions to defined contribution schemes	85,763	80,460
	1,101,075	1,197,209

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2024 - 5).

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 2 (2024 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2025	2024
Remuneration for qualifying services	263,078	260,319

8 Interest receivable and similar income

	2025	2024
	£	£
Interest income		
Interest on bank deposits	101,552	200,369
Interest on the net defined benefit pension scheme	5,000	24,000
Total interest revenue	106,552	224,369
Income from fixed asset investments		
Income from shares in group undertakings	352,236	322,491
Total income	458,788	546,860

9 Interest payable and similar expenses

	2025	2024
	£	£
Other finance costs:		
Interest on finance leases and hire purchase contracts	15,818	29,394

10 Taxation

	2025	2024
	£	£
Current tax		
UK corporation tax on profits/(losses) for the current period	-	(20,000)
Adjustments in respect of prior periods	791	105,332
Group tax relief	-	(85,547)
Total current tax	791	(215)

10 Taxation **(Continued)**

Deferred tax		
Origination and reversal of timing differences	(242,694)	318,864
Total tax charge/(credit)	(241,903)	318,649

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

	2025	2024
	£	£
(Loss)/profit before taxation	(3,831,727)	1,525,886
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 25.00% (2024: 25.00%)	(957,932)	381,472
Tax effect of expenses that are not deductible in determining taxable profit	7,334	-
Tax effect of income not taxable in determining taxable profit	(88,059)	(80,623)
Adjustments in respect of prior years	791	105,332
Group relief	-	85,547
Receipt in respect of group relief	-	(85,547)
Surrender of tax losses for R&D credit refund	-	30,000
Research and development tax credit	-	(104,806)
Depreciation charged on assets ineligible for capital allowances	25,015	26,759
Movement in deferred tax not recognised	770,948	(39,485)
Tax charge/(credit)credit for the year	(241,903)	318,649

11 Dividends

	2025	2024
	£	£
Interim paid	284,500	448,320

12 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 May 2024	4,289,950	14,444,048	601,889	298,031	19,633,918
Additions	1,156,220	635,645	-	83,374	1,875,239
Disposals	-	(843,218)	-	(50,212)	(893,430)
At 30 April 2025	5,446,170	14,236,475	601,889	331,193	20,615,727
Depreciation and impairment					
At 1 May 2024	1,266,507	10,890,033	590,597	178,327	12,925,464
Depreciation charged in the year	67,539	1,086,234	2,928	55,695	1,212,396
Eliminated in respect of disposals	-	(827,400)	-	(50,212)	(877,612)
At 30 April 2025	1,334,046	11,148,867	593,525	183,810	13,260,248
Carrying amount					
At 30 April 2025	4,112,124	3,087,608	8,364	147,383	7,355,479
At 30 April 2024	3,023,443	3,554,015	11,292	119,704	6,708,454

Included within tangible fixed assets are assets held under finance leases or hire purchase contracts, as follows:

	2025	2024
	£	£
Plant and machinery	345,684	549,407
Depreciation charge for the year in respect of leased assets	203,723	222,079

13 Fixed asset investments

	Notes	2025 £	2024 £
Investments in subsidiaries	14	2	2

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 May 2024 & 30 April 2025	2
Carrying amount	
At 30 April 2025	2
At 30 April 2024	2

14 Subsidiaries

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct
MacTaggart Scott Australia Pty Ltd	1	Engineering	Ordinary	100.00
MacTaggart Scott USA LLC	2	Engineering	Ordinary	100.00

Registered Office addresses:

1 Level 6, 211 Victoria Square, Adelaide SA 5000, Australia
2 2133 Upton Drive, Suite 126-192, Virginia Beach, VA 23454, USA

15 Stocks

	2025 £	Restated 2024 £
Raw materials and consumables	14,005,741	10,670,005
Work in progress	35,064,695	28,466,041
Work in progress provisions	(19,480,605)	(14,117,517)
Payments received on account	(710,642)	(2,397,792)
	28,879,189	22,620,737

The 2024 figures have been restated to transfer £1,426,171 of work in progress provisions to provisions on the balance sheet as they had been incorrectly classified.

16 Debtors

	2025	2024
Amounts falling due within one year:	**£**	**£**
Trade debtors	14,967,097	13,089,047
Corporation tax recoverable	200,787	162,151
Amounts owed by group undertakings	161,816	132,931
Other debtors	227,655	211,403
Prepayments and accrued income	479,211	210,900
	16,036,566	13,806,432

17 Creditors: amounts falling due within one year

		2025	2024
		£	**£**
Obligations under finance leases	**19**	113,495	174,023
Payments received on account		34,846,490	25,061,370
Trade creditors		8,663,955	6,206,295
Other taxation and social security		2,062,598	1,071,648
Other creditors		385,831	373,361
Accruals and deferred income		1,188,562	691,417
		47,260,931	33,578,114

18 Creditors: amounts falling due after more than one year

		2025	2024
	Notes	**£**	**£**
Obligations under finance leases	**19**	-	113,495

19 Finance lease obligations

	2025	2024
Future minimum lease payments due under finance leases:	**£**	**£**
Within one year	113,495	174,023
In two to five years	-	113,495
	113,495	287,518

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

20 Provisions for liabilities

	2025	Restated 2024
	£	£
Contract provisions	5,565,489	1,426,171

Movements on provisions:

	£
At 1 May 2024	1,426,171
Additional provisions in the year	4,139,318
At 30 April 2025	5,565,489

Provisions relate to onerous contracts and represent the excess of the estimated contract losses over the carrying value of work in progress for each onerous contract.

The 2024 figures have been restated to transfer £1,426,171 of work in progress provisions to provisions on the balance sheet as they had been incorrectly classified.

The provisions noted above are expected to be utilised within the next two financial years.

21 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2025	Liabilities 2024
Balances:	£	£
Accelerated capital allowances	565,741	808,435

	2025
Movements in the year:	£
Liability at 1 May 2024	808,435
Credit to profit or loss	(242,694)
Liability at 30 April 2025	565,741

22 Retirement benefit schemes

Defined contribution schemes	2025 £	2024 £
Charge to profit or loss in respect of defined contribution schemes	1,157,623	1,057,500

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.

Defined benefit schemes

The company operates a defined benefit plan in the UK. The scheme became closed on 30 June 2000. This is a separate trustee administered fund holding the pension plan assets to meet long term plan liabilities. A full actuarial valuation was carried out at 30 December 2021 and updated to 30 April 2025 by a qualified actuary, independent of the plan's sponsoring employer. The major assumptions used by the actuary are shown below.

A triennial valuation as at 31st December 2024 is in progress, relevant contributions continue to be made based on actuarial advice. The most recent full actuarial valuation on 30 December 2021 showed a deficit of £10,702,000. As part of that valuation the company had agreed with the trustees that it would aim to eliminate the deficit over a period of 2 years and 8 months from 1 April 2023 by the payment of annual contributions of £1,000,000. In addition, levies to the Pension Protection Fund, insurance premiums for death in service benefits and management and administration expenses are payable, or will be reimbursed where the plan has made the payment initially.

The main assumptions used in this valuation were:

a) Discount rates - Nominal Gilt Yield Curve plus 2.10% at each term pre retirement and Nominal Gilt Yield Curve post retirement

b) Rate of revaluation - CPI Inflation at each term subject to a maximum of 5.00% pa

c) Pension increases - Derived at each term using Black Scholes Methodology with a volatility assumption of 1.75%

Currently MacTaggart, Scott & Company Limited is making contributions based on the latest FRS 102 valuation (30 April 2025) which are considered sufficient to meet the current statutory funding objective while the scheme continues to operate as a closed fund.

Key assumptions	2025 %	2024 %
Discount rate	5.6	5.3
Inflation (RPI)	3.1	3.4
Inflation (CPI)	2.6	2.8

22 Retirement benefit schemes (Continued)

Mortality assumptions	**2025**	**2024**
Assumed life expectations on retirement at age 65:	**Years**	**Years**
Retiring today		
- Males	21.0	20.9
- Females	22.8	22.8
Retiring in 20 years		
- Males	22.4	22.3
- Females	24.3	24.3

Amounts recognised in the profit and loss account	**2025**	**2024**
Costs/(income):	**£**	**£**
Net interest on net defined benefit liability/(asset)	(5,000)	(24,000)

Amounts recognised in other comprehensive income	**2025**	**2024**
Costs/(income):	**£**	**£**
Actual return on scheme assets	(342,000)	727,000
Less: calculated interest element	1,001,000	1,025,000
Return on scheme assets excluding interest income	659,000	1,752,000
Actuarial changes related to obligations	(777,000)	(431,000)
Changes in asset ceiling (excluding interest income)	290,000	(297,000)
Total costs	172,000	1,024,000

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2025	**2024**
Liabilities/(assets):	**£**	**£**
Present value of defined benefit obligations	17,870,000	18,976,000
Fair value of plan assets	(18,655,000)	(19,446,000)
Surplus in scheme	(785,000)	(470,000)
Effect of asset ceiling	785,000	470,000
Total liability recognised	-	-

22 Retirement benefit schemes **(Continued)**

Movements in the present value of defined benefit obligations	**2025** **£**
Liabilities at 1 May 2024	18,976,000
Benefits paid	(1,300,000)
Actuarial gains and losses	(777,000)
Interest cost	971,000
At 30 April 2025	17,870,000

Movements in the fair value of plan assets	**2025** **£**
Fair value of assets at 1 May 2024	19,446,000
Interest income	1,001,000
Return on plan assets (excluding amounts included in net interest)	(659,000)
Benefits paid	(1,300,000)
Contributions by the employer	167,000
At 30 April 2025	18,655,000

The actual return on plan assets was £342,000 (2024 - £727,000).

Fair value of plan assets	**2025** **£**	**2024** **£**
Debt instruments	9,030,000	9,769,000
Cash	331,000	183,000
Insured pensioners	9,294,000	9,494,000
	18,655,000	19,446,000

None of the fair values of the assets shown above include any direct investments in the company's own financial instruments or any property occupied by, or other assets used by, the company.

23 Share capital

Ordinary share capital	**2025 Number**	**2024 Number**	**2025 £**	**2024 £**
Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100

24 Contingent Liabilities

In the case of certain contracts it is a condition of the contract that the company's bankers give counter guarantees in respect of progress claims which are paid during the course of a contract. The value of guarantees payable at the year end amounted to £468,404 (2024: £712,076).

25 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:

	2025	2024
	£	£
Within one year	46,271	16,500
Between two and five years	88,884	44,470
	135,155	60,970

26 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2025	2024
	£	£
Acquisition of tangible fixed assets	225,500	451,525

27 Related party transactions

The company has taken advantage of the exemption within the accounting standards from the requirement to disclose transactions with wholly owned group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

During the year the company provided goods and services amounting to £160,644 (2024: £132,300) and purchased goods and services amounting to £158,684 (2024: £7,400) from a fellow subsidiary of the parent undertaking.

At the year end the following balances were outstanding:
Trade debtor of £50,350 (2024: £13,230), amounts due from fellow subsidiary undertakings of £161,816 (2024: £ 132,931) and amounts due to fellow subsidiary undertakings of £49,285 (2024: £1,296).