

**STRATEGIC REPORT,  
REPORT OF THE DIRECTOR AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024  
FOR  
SARGINSONS INDUSTRIES LIMITED**

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for the year ended 31 March 2024**

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**SARGINSONS INDUSTRIES LIMITED**

**COMPANY INFORMATION**  
**for the year ended 31 March 2024**

**DIRECTOR:** T M Nunan

**REGISTERED OFFICE:** Torrington Avenue  
Coventry  
West Midlands  
CV4 9AG

**REGISTERED NUMBER:** 00541560 (England and Wales)

**AUDITORS:** Luckmans Duckett Parker Limited  
Chartered Accountants  
Statutory Auditors  
1110 Elliott Court  
Herald Avenue  
Coventry Business Park  
Coventry  
West Midlands  
CV5 6UB

**STRATEGIC REPORT  
for the year ended 31 March 2024**

The director presents his strategic report for the year ended 31 March 2024.

**REVIEW OF BUSINESS**

Another promising year with a significant jump in turnover, although underlying profitability was held back by continuing investment in research & development. Turnover is set to continue to grow through 2024 and, whilst continuing R&D may hold back underlying profitability, it will continue to grow as the companies technology opens the doors to better, cheaper, and faster delivery of products.

The company has completely revamped its financial processes, as a new Xero software package has been adopted to improve the flexibility of the current systems. Full implementation will take a year, as the two systems are tested side by side, but the new software will deliver better cost controls, reduced workloads and faster management accounting information from the outset.

The company has continued to invest in its casting technology and, in July 2024, won a £3m grant (£1.1m for Sarginsons) for PIVOT, a programme that combines Digital Twin Simulations with Topological Optimisation and Solidification software to create the world's first one stop casting package. This will change the castings are designed globally and position the company as a world leader in casting technology.

PIVOT also seeks to industrialise a new process, developed by Sarginsons that seeks to strengthen recycled aluminium so that it can be used, for the first time, in strength related applications. This will transform the use of aluminium in all manner of products, particularly transport and aerospace, whilst greatly improving the potential of true circular manufacturing.

The company also seeks to continue to expand into more service related activities, as these allow increased added value and faster scale. The new product offering will be better suited to a global market, which the company sees as its marketplace. The Virtual Supply chain, Industrialisation and Consultancy offerings will be central to this effort, but there are a number of other services in development that will contribute across the board.

Since introducing it's 'Sell knowledge not product' mantra, Sarginsons has transformed from traditional foundry to global technology company. Whilst more development remains, particularly around the PIVOT program, the company has already started to see the across the board benefits of this transformation. The future is bright.

**ACHIEVEMENTS OF KEY PERFORMANCE INDICATORS**

	<b>2024</b>	<b>2023</b>
Gross profit margin	27.9%	27.0%
Return on Capital Employed	15.7%	12.3%
EBITDA / Sales	6.1%	6.9%

**ON BEHALF OF THE BOARD:**

T M Nunan - Director

13 March 2025

**REPORT OF THE DIRECTOR  
for the year ended 31 March 2024**

The director presents his report with the financial statements of the company for the year ended 31 March 2024.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of aluminium diecasters.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 March 2024 will be £ 125,000 .

**DIRECTOR**

T M Nunan held office during the whole of the period from 1 April 2023 to the date of this report.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

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

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

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

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**ON BEHALF OF THE BOARD:**

T M Nunan - Director

13 March 2025

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

### **Opinion**

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

In our opinion the financial statements:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

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

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

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of director**

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

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

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

### **Auditors' responsibilities for the audit of the financial statements**

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

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

Enquiring of management and employees, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:

- Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they had knowledge of any actual, suspected or alleged fraud; and
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory frameworks applicable to the company based on our understanding of the company and sector experience and discussions with management. The most significant considerations for the company are the Companies Act 2006, corporate taxes and VAT legislation, employment taxes, health and safety and the Bribery Act 2010.

We carried out discussions among the engagement team, who also undertook the audit testing, to assess how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of these discussions, we identified potential for fraud in the following areas:

- management override of control; and
- revenue recognition, particularly in respect of delivery of goods

We designed and executed procedures in line with our responsibilities to detect material misstatements in respect of irregularities, including fraud. These procedures, together with the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- We critically assessed the appropriateness and tested the application of the revenue and cost recognition policies.
- We tested the appropriateness of accounting journals and other adjustments made in the preparation of the financial statements. We used data assurance techniques to identify and analyse the complete population of all journals in the year to identify and substantively test any which we considered were indicative of management override.
- We reviewed the company's accounting policies for non-compliance with relevant standards. Our work also included considering significant accounting estimates for evidence of misstatement or possible bias and testing any significant transactions that appeared to be outside the normal course of business.
- We made enquiries of management and reviewed correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

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

Ashwani Rishiraj (Senior Statutory Auditor)  
for and on behalf of Luckmans Duckett Parker Limited  
Chartered Accountants  
Statutory Auditors  
1110 Elliott Court  
Herald Avenue  
Coventry Business Park  
Coventry  
West Midlands  
CV5 6UB

13 March 2025

**STATEMENT OF COMPREHENSIVE  
INCOME**  
for the year ended 31 March 2024

	Notes	2024 £	£	2023 £	£
<b>TURNOVER</b>	3		14,153,596		11,631,433
Cost of sales			<u>10,203,085</u>		<u>8,487,471</u>
<b>GROSS PROFIT</b>			3,950,511		3,143,962
Distribution costs		527,847		507,187	
Administrative expenses		<u>3,031,866</u>		<u>2,322,785</u>	
			<u>3,559,713</u>		<u>2,829,972</u>
			390,798		313,990
Other operating income			<u>66,634</u>		<u>72,404</u>
<b>OPERATING PROFIT</b>	5		457,432		386,394
Interest receivable and similar income			<u>1,945</u>		<u>-</u>
			459,377		386,394
Interest payable and similar expenses	6		<u>246,670</u>		<u>157,908</u>
<b>PROFIT BEFORE TAXATION</b>			212,707		228,486
Tax on profit	7		<u>(93,160)</u>		<u>(731,940)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			305,867		960,426
<b>OTHER COMPREHENSIVE INCOME</b>			<u>-</u>		<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			<u>305,867</u>		<u>960,426</u>

**SARGINSONS INDUSTRIES LIMITED (REGISTERED NUMBER: 00541560)**

**BALANCE SHEET  
31 March 2024**

	Notes	2024 £	£	2023 £	£
<b>FIXED ASSETS</b>					
Intangible assets	9		47,556		80,040
Tangible assets	10		<u>2,118,156</u>		<u>1,815,149</u>
			2,165,712		1,895,189
<b>CURRENT ASSETS</b>					
Stocks	11	1,959,244		1,529,003	
Debtors	12	3,024,329		2,988,988	
Cash at bank and in hand		<u>290,899</u>		<u>89,141</u>	
		5,274,472		4,607,132	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>4,309,422</u>		<u>3,359,769</u>	
<b>NET CURRENT ASSETS</b>			<u>965,050</u>		<u>1,247,363</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,130,762		3,142,552
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(632,737)		(999,190)
<b>PROVISIONS FOR LIABILITIES</b>	18		<u>(499,469)</u>		<u>(325,673)</u>
<b>NET ASSETS</b>			<u>1,998,556</u>		<u>1,817,689</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		750		750
Retained earnings	20		<u>1,997,806</u>		<u>1,816,939</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,998,556</u>		<u>1,817,689</u>

The financial statements were approved by the director and authorised for issue on 13 March 2025 and were signed by:

T M Nunan - Director

**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 March 2024

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2022</b>	750	856,513	857,263
<b>Changes in equity</b>			
Total comprehensive income	-	960,426	960,426
<b>Balance at 31 March 2023</b>	<u>750</u>	<u>1,816,939</u>	<u>1,817,689</u>
<b>Changes in equity</b>			
Total comprehensive income	-	305,867	305,867
Dividends	-	(125,000)	(125,000)
<b>Balance at 31 March 2024</b>	<u>750</u>	<u>1,997,806</u>	<u>1,998,556</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2024**

**1. STATUTORY INFORMATION**

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

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

The director has prepared financial forecasts which demonstrate that the company can operate within its current financial faculties for the foreseeable future, and it is therefore appropriate to use the going concern basis of accounting in preparing the annual financial statements.

Trading for end 2024 is ahead of that to March 2024 with turnover seeing a dramatic increase as the company's unique technology underpins a more competitive product offering. This is likely to accelerate in the future as awareness of this technology grows.

New internal systems are being developed alongside the new accounting processes to ensure the company operates more efficiently and provides a more sophisticated and effective customer service. These systems are led by a revamped Scope of Work and NPI process, which will give better control over inputs and variables improving certainty to the quality and timing of outputs.

Sarginsons is part of the Nudation Group which also comprises Pattern Solutions and soon, Numachine. With the new software package all accountancy and financing will be centralised around Sarginsons and the new Xero software package.

Sarginsons is well placed to weather the vagaries of the new government and should be able to improve productivity substantially faster than the costs this entails. Whilst the option remains to reduce headcount or to increase prices, it is hoped continuing growth and the impact of the efficiency drive will mean this is not required.

As a consequence of the above the board is confident in saying that there are no material uncertainties that may cast significant doubt on the company's ability to operate as a going concern and currently feel the company has never been better positioned.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

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

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

**Turnover**

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

**Goodwill**

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

**Intangible assets**

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

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

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2024**

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

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

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

**Stocks**

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

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

**Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

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

**Deferred tax**

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

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

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

**Research and development**

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

**Foreign currencies**

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

**Hire purchase and leasing commitments**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2024

2. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**

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

**Financial instruments**

The company measures long term loans at their net present value based on appropriate interest rate for borrowings between group companies. The difference between cash received and the net present value is shown as a capital contribution to reserves.

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	2024	2023
	£	£
United Kingdom	11,038,354	10,671,795
Europe	1,391,498	577,644
United States of America	1,723,744	381,994
	<u>14,153,596</u>	<u>11,631,433</u>

4. EMPLOYEES AND DIRECTORS

	2024	2023
	£	£
Wages and salaries	3,352,216	2,763,368
Social security costs	344,597	297,374
Other pension costs	90,155	79,001
	<u>3,786,968</u>	<u>3,139,743</u>

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

	2024	2023
Directors	1	1
Management	9	9
Production	69	60
Design and administration	16	15
	<u>95</u>	<u>85</u>
	2024	2023
	£	£
Director's remuneration	20,500	26,708
Director's pension contributions to money purchase schemes	<u>618</u>	<u>801</u>

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

Money purchase schemes	<u>1</u>	<u>1</u>
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NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2024

5. OPERATING PROFIT

The operating profit is stated after charging:

	2024	2023
	£	£
Depreciation - owned assets	219,234	234,704
Depreciation - assets on hire purchase contracts	141,520	151,361
Goodwill amortisation	5	5
Computer software amortisation	32,479	32,568
Auditors' remuneration	22,079	25,975
Foreign exchange differences	30,233	32,286
Research and development expenditure	<u>3,109,868</u>	<u>3,967,493</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2024	2023
	£	£
Bank loan interest	18,683	18,865
Factoring interest	154,260	116,555
Other interest	8,931	(15,365)
Other financing	10,876	5,075
Hire purchase	53,920	32,778
	<u>246,670</u>	<u>157,908</u>

7. TAXATION

**Analysis of the tax credit**

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

	2024	2023
	£	£
Current tax:		
UK corporation tax	(266,956)	(686,907)
Deferred tax	<u>173,796</u>	<u>(45,033)</u>
Tax on profit	<u>(93,160)</u>	<u>(731,940)</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 March 2024

**7. TAXATION - continued****Reconciliation of total tax credit included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2024 £	2023 £
Profit before tax	<u>212,707</u>	<u>228,486</u>
Profit multiplied by the standard rate of corporation tax in the UK of 25% (2023 - 19%)	53,177	43,412
Effects of:		
Expenses not deductible for tax purposes	19,008	(567)
Research & Development enhanced expenditure	(668,622)	(979,971)
Effect of surrender of losses for a tax credit	400,433	213,178
Super deduction capital allowances	-	(7,992)
Change of rate in tax	102,844	-
Total tax credit	<u>(93,160)</u>	<u>(731,940)</u>

**8. DIVIDENDS**

	2024 £	2023 £
Interim	<u>125,000</u>	<u>-</u>

**9. INTANGIBLE FIXED ASSETS**

	Goodwill £	Computer software £	Totals £
<b>COST</b>			
At 1 April 2023 and 31 March 2024	<u>100</u>	<u>161,050</u>	<u>161,150</u>
<b>AMORTISATION</b>			
At 1 April 2023	62	81,048	81,110
Amortisation for year	<u>5</u>	<u>32,479</u>	<u>32,484</u>
At 31 March 2024	<u>67</u>	<u>113,527</u>	<u>113,594</u>
<b>NET BOOK VALUE</b>			
At 31 March 2024	<u>33</u>	<u>47,523</u>	<u>47,556</u>
At 31 March 2023	<u>38</u>	<u>80,002</u>	<u>80,040</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 March 2024

**10. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 April 2023	3,605,300	32,226	19,147	231,871	3,888,544
Additions	<u>651,192</u>	-	-	<u>12,569</u>	<u>663,761</u>
At 31 March 2024	<u>4,256,492</u>	<u>32,226</u>	<u>19,147</u>	<u>244,440</u>	<u>4,552,305</u>
<b>DEPRECIATION</b>					
At 1 April 2023	1,843,191	23,558	19,147	187,499	2,073,395
Charge for year	<u>327,124</u>	<u>2,425</u>	-	<u>31,205</u>	<u>360,754</u>
At 31 March 2024	<u>2,170,315</u>	<u>25,983</u>	<u>19,147</u>	<u>218,704</u>	<u>2,434,149</u>
<b>NET BOOK VALUE</b>					
At 31 March 2024	<u>2,086,177</u>	<u>6,243</u>	-	<u>25,736</u>	<u>2,118,156</u>
At 31 March 2023	<u>1,762,109</u>	<u>8,668</u>	-	<u>44,372</u>	<u>1,815,149</u>

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

	Plant and machinery £	Computer equipment £	Totals £
<b>COST</b>			
At 1 April 2023	1,076,536	72,105	1,148,641
Additions	540,975	-	540,975
Transfer to ownership	-	(45,139)	(45,139)
At 31 March 2024	<u>1,617,511</u>	<u>26,966</u>	<u>1,644,477</u>
<b>DEPRECIATION</b>			
At 1 April 2023	242,134	36,052	278,186
Charge for year	121,518	20,002	141,520
Transfer to ownership	-	(37,424)	(37,424)
At 31 March 2024	<u>363,652</u>	<u>18,630</u>	<u>382,282</u>
<b>NET BOOK VALUE</b>			
At 31 March 2024	<u>1,253,859</u>	<u>8,336</u>	<u>1,262,195</u>
At 31 March 2023	<u>834,402</u>	<u>36,053</u>	<u>870,455</u>

In addition to the above assets identified as being held under hire purchase contracts, the company also used other fixed assets as security to obtain finance of £100,000 (2023 - £100,000). As at 31 March 2024 £61,111 (2023 - £94,444) of this finance remained outstanding.

**11. STOCKS**

	2024 £	2023 £
Raw materials	179,535	124,181
Work-in-progress	889,559	873,465
Finished goods	<u>890,150</u>	<u>531,357</u>
	<u>1,959,244</u>	<u>1,529,003</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2024

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade debtors	1,770,107	1,607,807
Other debtors	798,998	362,373
Directors' current accounts	-	61,339
Tax	266,956	686,907
Prepayments and accrued income	188,268	270,562
	<u>3,024,329</u>	<u>2,988,988</u>

Included within trade debtors are balances totalling £1,770,107 (2023 - £1,607,807) that are subject to discounting arrangements. The trade debtor balances have been transferred to the counterpart, though the transaction does not qualify for derecognition on the basis that the reward is retained by the company. The associated liability recognised in other creditors is £1,375,228 (2023 - £1,266,533).

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Bank loans and overdrafts (see note 15)	294,477	208,000
Hire purchase contracts (see note 16)	335,682	247,321
Trade creditors	1,739,761	1,014,307
Amounts owed to group undertakings	15,350	-
Social security and other taxes	159,768	74,181
VAT	105,585	300,548
Other creditors	1,426,817	1,304,933
Accruals and deferred income	219,689	192,739
Deferred government grants	12,293	17,740
	<u>4,309,422</u>	<u>3,359,769</u>

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

	2024	2023
	£	£
Bank loans (see note 15)	31,250	326,826
Hire purchase contracts (see note 16)	543,308	423,967
Amounts owed to group undertakings	1,806	181,373
Deferred government grants	56,373	67,024
	<u>632,737</u>	<u>999,190</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2024

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

Deferred government grants:

	2024 £	2023 £
Brought forward deferred government grants relating to capital expenditure	84,764	110,505
Capital expenditure grants received during the year deferred	-	-
Released to Statement of Comprehensive Income during the year	<u>(16,098)</u>	<u>(25,741)</u>
Carried forward deferred government grants relating to capital expenditure	<u>68,666</u>	<u>84,764</u>
	2024 £	2023 £
Capital expenditure grants released from deferred income during the year	16,098	25,741
Revenue grants received during the year	<u>10,763</u>	<u>7,427</u>
Total government grant income recognised in the Statement of Comprehensive Income	<u>26,861</u>	<u>33,168</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2024 £	2023 £
Amounts falling due within one year or on demand:		
Bank loans	<u>294,477</u>	<u>208,000</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>31,250</u>	<u>295,576</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>-</u>	<u>31,250</u>

As at 31 March 2024 a bank loan of £169,477 (2023 - £253,576) is due to be repaid over 9 months (2023 - 22 months). Interest is charged at 6.25% above the banks base rate.

Repayments of a £500,000 bank loan commenced 13 months after the date on which the loan was drawn. The loan is now being repaid over 4 years. Interest is charged at 3.48% above the banks base rate, with no interest charged during the first 12 months. As at 31st March 2024 £156,250 (15 months) (2023 - £281,250 (27 months)) was outstanding.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2024

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2024	2023
	£	£
Net obligations repayable:		
Within one year	335,682	247,321
Between one and five years	<u>543,308</u>	<u>423,967</u>
	<u>878,990</u>	<u>671,288</u>
	Non-cancellable	operating leases
	2024	2023
	£	£
Within one year	99,258	83,799
Between one and five years	<u>192,686</u>	<u>173,366</u>
	<u>291,944</u>	<u>257,165</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2024	2023
	£	£
Bank loans	325,727	534,826
Hire purchase contracts	878,990	671,288
Other creditors	1,375,228	1,266,533
Amounts owed to group	-	181,373
	<u>2,579,945</u>	<u>2,654,020</u>

Bank loans of £169,477 (2023 - £253,576) are secured by an all assets debenture. Bank loans of £156,250 (2023 - £281,250) are secured by an all assets debenture in the name of Sarginsons Industries Limited, an all assets debenture in the name of Nu-Cents Limited, a fellow subsidiary company, and a Freehold 2nd legal charge over the company's business premises. Hire purchase contracts are secured by an all assets debenture. Other creditors are secured by an all assets debenture. Amounts owed to group undertakings are secured by a fixed and floating charge over the assets of the company.

18. PROVISIONS FOR LIABILITIES

	2024	2023
	£	£
Deferred tax		
Accelerated capital allowances	521,675	341,778
Other timing differences	<u>(22,206)</u>	<u>(16,105)</u>
	<u>499,469</u>	<u>325,673</u>

**SARGINSONS INDUSTRIES LIMITED (REGISTERED NUMBER: 00541560)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2024**

**18. PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 April 2023	325,673
Charge to Statement of Comprehensive Income during year	<u>173,796</u>
Balance at 31 March 2024	<u>499,469</u>

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2024	2023
			£	£
750	Ordinary	£1	<u>750</u>	<u>750</u>

**20. RESERVES**

	Retained earnings £
At 1 April 2023	1,816,939
Profit for the year	305,867
Dividends	<u>(125,000)</u>
At 31 March 2024	<u>1,997,806</u>

**21. PENSION COMMITMENTS**

Included in other creditors is £20,158 (2023 - £15,226) of outstanding pension contributions.

**22. ULTIMATE PARENT COMPANY**

Nudation Limited is regarded by the director as being the company's ultimate parent company.

**23. CAPITAL COMMITMENTS**

	2024	2023
	£	£
Contracted but not provided for in the financial statements	<u>416,236</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2024

24. **DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the years ended 31 March 2024 and 31 March 2023:

	2024 £	2023 £
<b>T M Nunan</b>		
Balance outstanding at start of year	61,339	1,883
Amounts advanced	950	61,339
Amounts repaid	(62,289)	(1,883)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>61,339</u>

Interest is charged on this loan at the HMRC official rate of interest.

25. **ULTIMATE CONTROLLING PARTY**

The controlling party is T M Nunan.

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.