

Company registration number 00703283 (England and Wales)

CAMBION ELECTRONICS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

CAMBION ELECTRONICS LIMITED

COMPANY INFORMATION

Directors	M P Stoneman R T Chee Keong	(Appointed 7 December 2023)
Secretary	M P Taylor	
Company number	00703283	
Registered office	Mill Lane Castleton Hope Valley Derbyshire S33 8WR	
Auditor	BHP LLP 2 Rutland Park Sheffield S10 2PD	
Bankers	National Westminster Bank plc 1 St Paul's Place 121 Norfolk Street Sheffield S1 2JF	
Solicitors	Wake Smith Solicitors Limited Wake Smith LLP No1 Velocity 2 Tenter Street Sheffield S1 4BY	

CAMBION ELECTRONICS LIMITED

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CAMBION ELECTRONICS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present the strategic report for the year ended 31 December 2023.

Fair review of the business

The company's principal activities are the design and manufacture of electronic components and interconnect solutions based around two main core competencies of precision machining and winding. With the exception of metal plating, the company is autonomous in its manufacturing capability. In addition to precision machining and winding, it also has expertise in injection and insert moulding, high speed stamping and automated and semi-automated assembly, all supported by an equipped tool room.

The company transacts with an enviable array of 'Blue Chip' international organisations, serviced both directly and by its ever expanding network of global distributors. All established electronic markets are covered, such as Mil/ Aero, Medical, Oil & Gas and Industrial. Export sales in 2023 equated to 66% of turnover, of which 70% was from outside of the European market. There are no capacity constraints likely to restrict the medium term growth aspirations.

The company's turnover and profitability aspirations will be achieved by concentrating on the following strategies:

- Maintain a focused customer base, developing relationships of equal importance.
- Target only new customers with significant potentials for Group core competencies.
- Customer account development, seeking "More with Existing" by way of vertical integration of core competencies.
- Technology advancement via engineering expertise/knowhow to offer a valued proposition to achieve a low cost of acquisition.
- Greater marketing activity to support new product range launches.
- Vendor of choice via differentiation of service level excellence, exceeding customer and industry expectations.
- Greater autonomy via equipment investment to support component manufacture of generic range development and customer programmes.
- Where appropriate automation to be adopted to gain/maintain a competitive edge.
- Affect lean throughout the facility via departmental lay-outs allowing for future proofing.
- Expand USA growth via greater liaison with marketing agencies and distribution promotions.
- Elimination of waste through focus on efficiency and management.
- Continuing an ongoing 'SMARTer Together' initiative to change culture, increase productivity and engage the workforce with incentives through skills-related pay.

In addition to the stated strategies above, the company continues to seek to have greater focus on innovation by expanding and developing product ranges in line with technology, market dynamics and building on the strong relationship within its supply chain.

Having a manufacturing facility nestled within the idyllic scenery of the Peak District, moreover in Castleton, where the majesty of Mam Tor and the imposing ruins of Pevenil Castle cast shadows, comes with an enormous slice of corporate social responsibility. Cambion has been equal to the challenge with numerous adopted initiatives within its net zero plan and has the ultimate ambition of eliminating its carbon footprint without offset by being self-sufficient with its energy requirements, thus continually supporting its ISO14001:2015 accreditation. Cambion, in conjunction with the corporate directives, is committed towards integrating sustainability into its core business and value chain. Despite the recent challenging socio-economic situation Cambion continues the journey together with its employees, customers, business partners, suppliers and other relevant stakeholders to embed sustainable practices, strategies, initiatives and operations where feasible.

CAMBION ELECTRONICS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Principal risks and uncertainties

The directors use KPIs as part of their process of monitoring the performance of the business and attach particular importance to the following:

KPI	2023	2022	Definition, method of calculation and analysis
Sales change (%)	4.8	22.0	Year on year sales change from continuing operations, expressed as a percentage. A stronger pound in 2023 affected our overseas sales, although still a healthy increase on 2022.
Gross margin (%)	61.7	71.7	Gross margin is the ratio of gross profit to sales, expressed as a percentage. Inflation and exchange rates have a key impact on this.
Return on sales (%)	18.5	22.4	Pre-tax profit expressed as a percentage of turnover. Excellent results which the company is proud of.

Principal risks and uncertainties

Achievement of the company's strategy is subject to a number of risks and the main business risks affecting the company are summarised below:

Competition

To counteract worldwide competitive pressures, the company aims to differentiate itself through business excellence, ever advanced Management Systems and competitive total acquisition costs. Additionally, innovation and investment will also be a significant countermeasure to main industry counterparts, embracing new technologies and continuous improvements in method, use of materials and maximising service level parameters. The company will continue to build strong, robust customer relationships offering engineering expertise at the earliest stage of our customer's product/project development. Our industry generic products will be continually reviewed for market fit.

As part of an Asian owned group, the company is able to respond positively both in term of cost challenges and volumetric requirements by working closely with associate group companies in the Far East. Utilising the combination of strong local engineering skills and lower Far Eastern cost structures/capacity enables the company to compete in aggressive market conditions.

Employee

The Company's performance is greatly influenced by the expertise and competencies of its workforce.

Over the coming years the company will need a significantly higher skills base to realise its productivity improvements and customer service excellence goals. Consequently within the new 'SMARTer Together' initiative the company will endeavour to seek greater flexibility through staff development by continuing to break down historic culture, expand a team ethos, create the environment for employee engagement, give security and identify succession.

To demonstrate its commitment to employee engagement and retention, Cambion holds quarterly 'sensing sessions' where key topics affecting the business and its people are discussed by a forum of employees offsite. One such topic in 2023 was the four day working week. Keen to offer employees the best possible work-life balance without impacting the business adversely, this has been introduced in 2024 on a bi-weekly rotation which ensures coverage of the business for five days. This is also seen as a competitive advantage for the company for future recruitment.

In addition, a salary sacrifice scheme has been introduced to allow qualifying employees to purchase an electric vehicle and benefit from the tax incentives available.

CAMBION ELECTRONICS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Development and performance

Financial risk management

The company's operations expose it to a variety of financial risks but these are primarily limited to credit risk, liquidity risk and price risk. The company has in place a risk management programme that seeks to limit adverse effects on its financial performance. The policies set by the directors are implemented by the company's management team

Credit risk

The company has implemented policies in accordance with corporate governance levels of authority to ensure that appropriate credit checks are conducted on new and potential customers prior to the acceptance of orders and the recognition of sales. These checks also apply to those customers that have not had trading activity for two full calendar years. The amount of exposure to any individual customer is subject to a limit determined by the company and this is reassessed on a periodic basis.

Liquidity risk

The company's managers monitor trade debtors, trade creditors and inventory levels in order to meet working capital requirements.

Price risk

The company operates within a highly competitive market place and puts in place agreements with key customers to reduce pricing risk. The company has entered into mutual reviews of true cost down with its customer and suppliers, particularly where technology advancement give opportunity.

Foreign exchange risk

The company is exposed to foreign exchange risk arising from sales and purchases transacted in currencies other than sterling but does not enter into any hedging instruments as it does not consider the risk to be significant. To mitigate risk further, the company has foreign currency accounts in both US Dollars and Euro so that natural hedging can take place with receipts and payments from customers and suppliers transacting in those currencies.

Future prospects

The Directors and Management Team are confident in the company's ability to yield its expected growth aspirations in both turnover and profitability in 2024. Cambion Electronics Limited will continue to position itself as an innovator of interconnectivity, in accordance with its values of integrity and transparency, innovation, teamwork and business excellence, strengthening business relationships with existing customers, whilst creating the environment to develop long and lasting partnerships with new ones. The company has a number of projects with extended schedules. Capital investment plans dovetail the strategy in covering several themes, increased machining capacity, modernising material handling, automation and the expansion of its in-house testing facility. The company is expanding its worldwide distribution network, principally with 'Design In' partners rather than just commodity broad-liners, and with its 'SMARTer Together' initiative giving the company longevity.

CAMBION ELECTRONICS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Other information

Qualifying third party indemnity insurance

Management Liability insurance is maintained at an appropriate level in respect of legal action against the company officials. These arrangements were in place throughout the financial year and up to the date of approval of the financial statements.

Health and safety

The directors and management are firmly committed to providing and maintaining a safe and healthy workplace environment. The company has in place appropriate policies and procedures to minimise workplace incidents and occupational injuries, and remains vigilant via its cross functional Health and Safety committee in ongoing preventative risk assessments and audits across all functions of the business to ensure compliance and opportunities for improvement. The directors and management are duly proud of the company's historical record, with again no major accidents or incidents requiring involvement from the Health and Safety Executive in 2023.

Corporate social responsibility

The company is committed to improving the socio-economic well-being of its stakeholders by ensuring corporate social responsibility practices are entrenched in its objective in growing the business. A cornerstone of this objective is the company's commitment to reach Net Zero and identifying a pathway to achieve this. As a responsible corporate citizen, there will always be a focus on protecting the environment and reduction of its carbon footprint. The company has and will continue to drive through various initiatives in supporting its societal objectives. The company is committed to complying with recognised environmental practices, where practical exceeding applicable legal and regulatory requirements, striving for continual improvement in our environmental management system and the minimisation of waste. The company will manage its processes, materials and employees in order to reduce environmental impact and will carry out all reasonably practical measures to seek to meet, exceed, or develop the necessary requirements to improve environmental performance in order to prevent the likelihood of a pollution incident and to ensure the efficient use of natural resources. The Company to the best of its knowledge ensures that all its worldwide suppliers conform to RoHS, Reach and WEEE directives and are compliant under Conflict Minerals and Modern Slavery legislation. The company also contributes to a number of meaningful local causes.

By order of the board

M P Taylor
Secretary

29 May 2024

CAMBION ELECTRONICS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and financial statements for the year ended 31 December 2023.

Principal activities

The principal activity of the company continued to be that of design and manufacture of electronic components and interconnect solutions.

Results and dividends

The profit for the year after taxation amounted to £903,968 (2022 – profit of £1,070,812). The directors have recommended a final dividend payment against 2023 at the Annual General Meeting on the 13th day of May 2024 of £450,000 (2023 - £535,000).

Ordinary dividends were paid amounting to £535,000.

Directors

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

M P Stoneman

H W Chan

R T Chee Keong

(Resigned 7 December 2023)

(Appointed 7 December 2023)

Auditor

The auditor, BHP LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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;
- 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.

CAMBION ELECTRONICS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

By order of the board

M P Taylor
Secretary

29 May 2024

CAMBION ELECTRONICS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAMBION ELECTRONICS LIMITED

Opinion

We have audited the financial statements of Cambion Electronics Limited (the 'company') for the year ended 31 December 2023 which comprise 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 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

CAMBION ELECTRONICS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CAMBION ELECTRONICS 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 and the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, 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 or intentional misrepresentations, or through collusion.

We focused on laws and regulations, relevant to the company, which could give rise to a material misstatement in the financial statements. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management, review of company minutes and legal expenses. There are inherent limitations in the audit procedures described and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

As part of our audit, we addressed the risk of management override of internal controls, including testing of journals and review of the nominal ledger. We evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.

CAMBION ELECTRONICS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CAMBION ELECTRONICS LIMITED

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.

Adrian Staniforth
Senior Statutory Auditor
For and on behalf of BHP LLP

3 June 2024

Chartered Accountants
Statutory Auditor

2 Rutland Park
Sheffield
S10 2PD

CAMBION ELECTRONICS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Turnover	3	6,225,934	5,938,308
Cost of sales		(2,387,200)	(1,682,435)
Gross profit		3,838,734	4,255,873
Distribution costs		(2,198,671)	(2,580,426)
Administrative expenses		(568,148)	(372,434)
Other operating income		-	14,911
Operating profit	4	1,071,915	1,317,924
Interest receivable and similar income	8	80,613	12,858
Interest payable and similar expenses		(597)	(1,500)
Profit before taxation		1,151,931	1,329,282
Tax on profit	9	(247,963)	(258,470)
Profit for the financial year		903,968	1,070,812
Other comprehensive income			
Actuarial gain/(loss) on defined benefit pension schemes		2,129,433	(1,060,863)
Tax relating to other comprehensive income		(560,750)	265,220
Total comprehensive income for the year		2,472,651	275,169

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

CAMBION ELECTRONICS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	11		1,509,980		1,460,910
Current assets					
Stocks	12	742,085		606,003	
Debtors	13	734,682		712,764	
Investments	14	2,000,000		2,000,000	
Cash at bank and in hand		1,174,269		1,230,620	
			4,651,036		4,549,387
Creditors: amounts falling due within one year	15	(961,159)		(1,085,591)	
Net current assets			3,689,877		3,463,796
Total assets less current liabilities			5,199,857		4,924,706
Provisions for liabilities					
Deferred tax liability	16	995,250		414,750	
			(995,250)		(414,750)
Net assets excluding pension surplus			4,204,607		4,509,956
Defined benefit pension surplus	17		2,692,000		449,000
Net assets			6,896,607		4,958,956
Capital and reserves					
Called up share capital	18	2,800,586		2,800,586	
Capital redemption reserve		319,091		319,091	
Profit and loss reserves		3,776,930		1,839,279	
Total equity			6,896,607		4,958,956

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 29 May 2024 and are signed on its behalf by:

M P Stoneman
Director

Company registration number 00703283 (England and Wales)

CAMBION ELECTRONICS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	Capital redemption reserve	Profit and loss reserves	Total
Notes	£	£	£	£
Balance at 1 January 2022	2,800,586	319,091	1,914,110	5,033,787
Year ended 31 December 2022:				
Profit	-	-	1,070,812	1,070,812
Other comprehensive income:				
Actuarial gains on defined benefit plans	-	-	(1,060,863)	(1,060,863)
Tax relating to other comprehensive income	-	-	265,220	265,220
Total comprehensive income	-	-	275,169	275,169
Dividends	10	-	(350,000)	(350,000)
Balance at 31 December 2022	2,800,586	319,091	1,839,279	4,958,956
Year ended 31 December 2023:				
Profit	-	-	903,968	903,968
Other comprehensive income:				
Actuarial gains on defined benefit plans	-	-	2,129,433	2,129,433
Tax relating to other comprehensive income	-	-	(560,750)	(560,750)
Total comprehensive income	-	-	2,472,651	2,472,651
Dividends	10	-	(535,000)	(535,000)
Balance at 31 December 2023	2,800,586	319,091	3,776,930	6,896,607

CAMBION ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

Cambion Electronics Limited is a private company limited by shares incorporated in England and Wales. The registered office is Mill Lane, Castleton, Hope Valley, Derbyshire, S33 8WR.

1.1 Accounting convention

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

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

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

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company will be able to generate positive cash flows from its business operations and have adequate resources to continue in operational existence for the foreseeable future. In addition, overall liquidity is supported by the group if required, though the company currently enjoys a cash rich position. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

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

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.

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
Plant and equipment	10%-20% 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 or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

CAMBION ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

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 with original maturities of three months or less.

1.8 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

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

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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.

CAMBION ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

1.12 Retirement benefits

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

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.13 Leases

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

1.14 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.

CAMBION ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Pension and other post employment benefits

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. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency 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. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details are given in note 17.

3 Turnover and other revenue

	2023	2022
	£	£
Turnover analysed by geographical market		
UK	2,139,983	2,105,516
Rest of Europe	1,208,703	1,342,804
North America	1,144,739	1,354,939
Others	1,732,508	1,135,049
	<u>6,225,933</u>	<u>5,938,308</u>

	2023	2022
	£	£
Other revenue		
Interest income	80,613	12,858
	<u>80,613</u>	<u>12,858</u>

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	28,637	(63,126)
Depreciation of owned tangible fixed assets	256,591	235,629
(Profit)/loss on disposal of tangible fixed assets	(4,470)	29
	<u>280,758</u>	<u>172,532</u>

CAMBION ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	15,550	15,550
For other services		
Taxation compliance services	2,250	2,250

6 Employees

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

	2023	2022
	Number	Number
Production	38	36
Administration	3	4
Selling	4	3
Total	45	43

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	1,447,999	1,382,111
Social security costs	149,952	146,883
Pension costs	229,211	315,512
	1,827,162	1,844,506

7 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	131,857	118,099

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 1 (2022 - 1).

8 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	80,613	12,858

CAMBION ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

		(Continued)	
8	Interest receivable and similar income	2023	2022
		£	£
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	80,613	12,858
		<u>80,613</u>	<u>12,858</u>
9	Taxation	2023	2022
		£	£
	Current tax		
	UK corporation tax on profits for the current period	228,213	159,705
	Adjustments in respect of prior periods	-	(6,468)
	Total current tax	<u>228,213</u>	<u>153,237</u>
	Deferred tax		
	Origination and reversal of timing differences	19,750	105,233
		<u>19,750</u>	<u>105,233</u>
	Total tax charge	<u>247,963</u>	<u>258,470</u>

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

	2023	2022
	£	£
Profit before taxation	1,151,931	1,329,282
	<u>1,151,931</u>	<u>1,329,282</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 23.52% (2022: 19.00%)	270,934	252,564
Tax effect of expenses that are not deductible in determining taxable profit	154	200
Tax effect of income not taxable in determining taxable profit	(4)	(2,833)
Adjustments in respect of prior years	-	(6,468)
Effect of change in corporation tax rate	(25,637)	25,264
Depreciation on assets not qualifying for tax allowances	2,646	(22,359)
Movement in deferred tax not recognised	(130)	12,102
	<u>247,963</u>	<u>258,470</u>
Taxation charge for the year	<u>247,963</u>	<u>258,470</u>

CAMBION ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

9 Taxation (Continued)

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2023 £	2022 £
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	560,750	(265,220)
	<u>560,750</u>	<u>(265,220)</u>

10 Dividends

	2023 £	2022 £
Final paid	535,000	350,000
	<u>535,000</u>	<u>350,000</u>

11 Tangible fixed assets

	Freehold land and buildings £	Assets under construction £	Plant and equipment £	Total £
Cost				
At 1 January 2023	920,973	50,736	5,834,975	6,806,684
Additions	-	73,123	232,538	305,661
Disposals	-	-	(2,341,063)	(2,341,063)
Transfers	-	(28,821)	28,821	-
	<u>920,973</u>	<u>95,038</u>	<u>3,755,271</u>	<u>4,771,282</u>
At 31 December 2023	920,973	95,038	3,755,271	4,771,282
Depreciation and impairment				
At 1 January 2023	674,558	-	4,671,216	5,345,774
Depreciation charged in the year	18,070	-	238,521	256,591
Eliminated in respect of disposals	-	-	(2,341,063)	(2,341,063)
	<u>692,628</u>	<u>-</u>	<u>2,568,674</u>	<u>3,261,302</u>
At 31 December 2023	692,628	-	2,568,674	3,261,302
Carrying amount				
At 31 December 2023	<u>228,345</u>	<u>95,038</u>	<u>1,186,597</u>	<u>1,509,980</u>
At 31 December 2022	<u>246,415</u>	<u>50,736</u>	<u>1,163,759</u>	<u>1,460,910</u>

CAMBION ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

12	Stocks	2023	2022
		£	£
	Raw materials and consumables	232,761	216,423
	Work in progress	111,606	75,026
	Finished goods and goods for resale	397,718	314,554
		<u>742,085</u>	<u>606,003</u>
		<u><u>742,085</u></u>	<u><u>606,003</u></u>
13	Debtors	2023	2022
		£	£
	Amounts falling due within one year:		
	Trade debtors	648,872	601,538
	Other debtors	24,279	37,632
	Prepayments and accrued income	61,531	73,594
		<u>734,682</u>	<u>712,764</u>
		<u><u>734,682</u></u>	<u><u>712,764</u></u>
14	Current asset investments	2023	2022
		£	£
	Short term deposits	2,000,000	2,000,000
		<u>2,000,000</u>	<u>2,000,000</u>
		<u><u>2,000,000</u></u>	<u><u>2,000,000</u></u>
15	Creditors: amounts falling due within one year	2023	2022
		£	£
	Trade creditors	486,042	564,714
	Amounts owed to group undertakings	35,771	21,463
	Corporation tax	28,859	65,049
	Other taxation and social security	29,891	28,353
	Other creditors	7,013	6,516
	Accruals and deferred income	373,583	399,496
		<u>961,159</u>	<u>1,085,591</u>
		<u><u>961,159</u></u>	<u><u>1,085,591</u></u>

CAMBION ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

16 Deferred taxation

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

	Liabilities 2023 £	Liabilities 2022 £
Balances:		
Fixed asset timing differences	326,000	348,071
Retirement benefit obligations	669,250	66,679
	<u>995,250</u>	<u>414,750</u>
Movements in the year:		2023 £
Liability at 1 January 2023		414,750
Charge to profit or loss		19,750
Charge to other comprehensive income		560,750
		<u>995,250</u>
Liability at 31 December 2023		<u>995,250</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

17 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	26,211	16,512
	<u>26,211</u>	<u>16,512</u>

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

Defined benefit schemes

The company operates a defined benefit scheme for qualifying employees. Under the scheme the employees currently accrue 1/80th of their pensionable salary for every year they are in active service.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 December 2023 by the scheme actuary. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

CAMBION ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

17 Retirement benefit schemes	(Continued)	
	2023	2022
<i>Key assumptions</i>	%	%
Discount rate	4.8	4.95
Expected rate of salary increases	3.25	3.3
Price inflation rate (RPI)	3.25	3.3
Price inflation rate (CPI)	2.85	2.9
	<u> </u>	<u> </u>
<i>Mortality assumptions</i>	2023	2022
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	20.7	22
- Females	23.3	24
	<u> </u>	<u> </u>
Retiring in 25 years		
- Males	22	24
- Females	24.8	26
	<u> </u>	<u> </u>
	2023	2022
<i>Amounts recognised in the profit and loss account</i>	£	£
Current service cost	93,000	175,000
Net interest on net defined benefit liability/(asset)	(28,000)	(29,000)
Other costs and income	138,000	153,000
	<u> </u>	<u> </u>
Total costs	203,000	299,000
	<u> </u>	<u> </u>
	2023	2022
<i>Amounts taken to other comprehensive income</i>	£	£
Actual return on scheme assets	(1,168,000)	9,311,000
Less: calculated interest element	818,000	476,000
	<u> </u>	<u> </u>
Return on scheme assets excluding interest income	(350,000)	9,787,000
Actuarial changes related to obligations	(1,779,000)	(8,726,000)
	<u> </u>	<u> </u>
Total costs/(income)	(2,129,000)	1,061,000
	<u> </u>	<u> </u>

CAMBION ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

17 Retirement benefit schemes (Continued)

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

	2023 £	2022 £
Present value of defined benefit obligations	14,782,000	16,260,000
Fair value of plan assets	(17,474,000)	(16,709,000)
	<u>(2,692,000)</u>	<u>(449,000)</u>

	2023 £
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 January 2023	16,260,000
Current service cost	93,000
Benefits paid	(608,000)
Contributions from scheme members	46,000
Actuarial gains and losses	(1,779,000)
Interest cost	790,000
Other	(20,000)
At 31 December 2023	<u>14,782,000</u>

	2023 £
<i>The defined benefit obligations arise from plans funded as follows:</i>	
Wholly unfunded obligations	-
Wholly or partly funded obligations	14,782,000
	<u>14,782,000</u>

	2023 £
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 January 2023	16,709,000
Interest income	818,000
Return on plan assets (excluding amounts included in net interest)	350,000
Benefits paid	(608,000)
Contributions by the employer	317,000
Contributions by scheme members	46,000
Other	(158,000)
At 31 December 2023	<u>17,474,000</u>

The actual return on plan assets was £1,168,000 (gain) (2022: £9,311,000 (loss)).

CAMBION ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

17 Retirement benefit schemes (Continued)

	2023	2022
	£	£
<i>Fair value of plan assets at the reporting period end</i>		
Equity instruments	17,474,000	16,709,000
	<u>17,474,000</u>	<u>16,709,000</u>

18 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of 10p each	550,000	550,000	55,000	55,000
	<u>550,000</u>	<u>550,000</u>	<u>55,000</u>	<u>55,000</u>
Preference share capital Issued and fully paid				
Preference of £1 each	2,745,586	2,745,586	2,745,586	2,745,586
	<u>2,745,586</u>	<u>2,745,586</u>	<u>2,745,586</u>	<u>2,745,586</u>
Preference shares classified as equity			2,745,586	2,745,586
			<u>2,745,586</u>	<u>2,745,586</u>
Total equity share capital			2,800,586	2,800,586
			<u>2,800,586</u>	<u>2,800,586</u>

19 Operating lease commitments

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

	2023	2022
	£	£
Within one year	28,524	26,922
Between two and five years	25,992	42,595
	<u>54,516</u>	<u>69,517</u>

20 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2023	2022
	£	£
Acquisition of tangible fixed assets	5,431	120,519
	<u>5,431</u>	<u>120,519</u>

CAMBION ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 Related party transactions

The company is a wholly owned subsidiary of WBL Technology (Private) Limited, a company incorporated in Singapore. The directors consider Yanlord Holdings Pte Limited, also incorporated in Singapore, to be the ultimate parent undertaking and ultimate controlling party at the year end. Yanlord Holdings Pte Limited is the smallest and largest group for which group financial statements are prepared for the year ended 31 December 2022. The company is included in the group financial statements of Yanlord Holdings Pte Limited which are publicly available.

The Company has taken advantage of the exemption, as permitted by paragraph 1(A) of chapter 33 of FRS 102, not to disclose related party transactions between fellow wholly owned subsidiaries within the Group. There have been no related party transactions in the year other than those with wholly owned subsidiaries within the Group.

Copies of the financial statements of Yanlord Holdings Pte Limited can be obtained by writing to Yanlord Holdings Pte Limited, 9 Temasek Blvd No 36-02, Suntec Tower 2 Singapore, 038989 Singapore.

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.