

# Duvelco Limited

Annual Report and Financial Statements

Registered number 12422228

30 April 2024

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## Directors' report

The Directors present their report for the year from 01 May 2023 to 30 April 2024.

The Directors' Report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

### Principal activity

The principal activity of the Company is to develop and manufacture high technology polymers.

### Business review

The Company has incurred a pre-tax loss of £258,869, compared with a loss of £111,471 in 2023. As anticipated, these figures reflect the Company's ongoing efforts to develop its polymer production process and facility. There was no trading activity within the year. The first commercial sales are expected to be in the next financial year after commissioning of the facility has been completed.

### Research and development

A key priority of the Company is to invest in research and development so as to ensure new products, techniques and efficiencies are continually contributing to the performance of the Company. For the year ended 30 April 2024, the research and development focused primarily on further developing the products that are already manufactured and sold by the Company. Alongside the commissioning of the production plant, the Company has been developing additional chemical formulations of polyimide to the PMDA/4'4'-ODA chemistry already developed.

### Directors

The Directors who held office during the year were as follows:

M.S Goodwin	
S.R Goodwin	
B.R.E. Goodwin	
T.J.W. Goodwin	
B. Cartwright	
J.E. Marsh	
M.G. Palin	
A. Thomson	resigned 18 October 2023

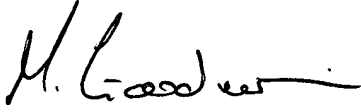
The Company carries indemnity insurance on behalf of its Directors.

### Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and all Directors have taken every step that they ought to have taken, as Directors, to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

## Directors' Report (continued)

By order of the board



M.S. Goodwin  
Managing Director

Ivy House Foundry  
Hanley  
Stoke-on-Trent  
ST1 3NR

13th August 2024

## **Statement of Directors' responsibilities**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with 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 those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

# Independent Auditor's Report to the members of Duvelco Limited

## **Opinion**

We have audited the financial statements of Duvelco Limited (the 'Company') for the year ended 30 April 2024 which comprise the profit and loss account, 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 FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 the audit:

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

## **Independent Auditor's Report to the members of Duvelco Limited (continued)**

### ***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 Directors' Report.

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

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

### ***Responsibilities of Directors***

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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.

### ***The extent to which the audit was considered capable of detecting irregularities, including fraud***

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the Company operates in and how the Company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 101, the Companies Act 2006 and tax compliance regulations. We performed audit

## Independent Auditor's Report to the members of Duvelco Limited (continued)

procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and review of any correspondence in the year with tax authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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

### ***Use of our report***

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

RSM UK Audit LLP

Christopher Phillips (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Festival Way

Festival Park

Stoke-on-Trent

ST1 5BB

13th August 2024

**Profit and Loss Account**  
for the year ended 30 April 2024

		2024	2023
	Note	£	£
Administrative expenses		(252,899)	(110,933)
Operating loss		(252,899)	(110,933)
Finance costs	6	(5,970)	(538)
Loss before tax	3 - 5	(258,869)	(111,471)
Tax credit / (charge)	7	64,989	(8,988)
Loss for the year		(193,880)	(120,459)

There are no recognised gains and losses other than those shown in the profit and loss account above and therefore no separate statement of comprehensive income (other comprehensive income) has been presented.

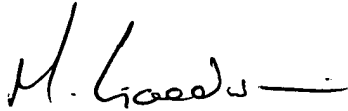
The notes on pages 10 to 20 form an integral part of these financial statements.

**Balance Sheet**  
at 30 April 2024

	Note	2024 £	2023 £
<b>Fixed Assets</b>			
Intangible assets	8	2,482,039	1,740,947
Tangible assets	9	1,397,921	1,447,772
Right-of-use assets	10	155,619	174,334
<b>Total fixed assets</b>		4,035,579	3,363,053
<b>Current Assets</b>			
Stock	11	305,882	-
Debtors: amounts falling due within one year	12	385,673	291,368
Cash at bank and in hand		107	929
<b>Total current assets</b>		691,662	292,297
<b>Creditors - amounts falling due within one year</b>	13	(4,233,725)	(3,102,801)
Net current liabilities		(3,542,063)	(2,810,504)
<b>Total assets less current liabilities</b>		493,516	552,549
<b>Creditors - amounts falling due after more than one year</b>	14	(91,294)	(106,389)
Provisions for liabilities	15	(367,968)	(218,026)
<b>Net assets</b>		34,254	228,134
<b>Capital and reserves</b>			
Called up share capital	16	500,000	500,000
Profit and loss account		(465,746)	(271,866)
<b>Shareholders' funds</b>		34,254	228,134

The notes on pages 10 to 20 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 13th August 2024 and were signed on its behalf by:



M.S. Goodwin  
Managing Director



B. Cartwright  
Director and General Manager

Company registered number: 12422228

## Statement of Changes in Equity

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance at 01 May 2022	500,000	(151,407)	348,593
Loss for the year	–	(120,459)	(120,459)
Balance at 30 April 2023	500,000	(271,866)	228,134
Balance at 01 May 2023	500,000	(271,866)	228,134
Loss for the year	–	(193,880)	(193,880)
As at 30 April 2024	500,000	(465,746)	34,254

The notes on pages 10 to 20 form an integral part of these financial statements.

## Notes to the financial statements

### 1. Significant accounting policies

#### **a) General information**

Duvelco Limited (the "Company") is a private company, limited by shares, incorporated and domiciled in England and Wales.

#### **b) Basis of preparation**

These unabbreviated financial statements are prepared on the historical cost basis, except where the measurement of balances is required at fair value. Numbers are rounded to the nearest £1.

These financial statements have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101) and in conformity with the requirements of the Companies Act 2006.

The Company's ultimate parent undertaking, Goodwin PLC, includes the Company in its consolidated financial statements. The consolidated financial statements of Goodwin PLC are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Company's website: [www.goodwin.co.uk](http://www.goodwin.co.uk) and from the Company's Registered Office: Ivy House Foundry, Hanley, Stoke-on-Trent, ST1 3NR.

#### Reporting exemptions

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative period reconciliations for tangible fixed assets;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative period reconciliations for intangible assets;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements in respect of capital management;
- the requirements of IAS 7 to present a Cash Flow Statement and related notes;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in respect of the effects of new but not yet effective IFRSs;
- the requirements of paragraph 17 and 18a of IAS 24, Related Party Transactions in respect of the compensation of Key Management Personnel; and
- the requirements in IAS 24 Related Party Transactions to disclose related party transactions between two members of the Goodwin PLC group, provided that any subsidiary, which is a party to the transactions, is wholly owned.

As the consolidated financial statements of Goodwin PLC include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of

- the requirements of IFRS 7 Financial Instrument: Disclosures; and
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### **c) Going concern**

During the year, the Company has incurred a post-tax loss of £193,880 and has net current liabilities of £3,542,063. The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons:

- The Company has successfully completed its product development phase and is now in the process of scaling up for full commercial production.

## Notes to the financial statements (continued)

### 1 Significant accounting policies (continued)

- The Company participates in the Group's centralised treasury arrangements and so is able to call upon the treasury facilities.

The Directors have prepared cash flow forecasts for a period of twelve months from the date of approval of these financial statements which indicate that the Company will have sufficient funds, generated through funding from its ultimate parent company, Goodwin PLC, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the Company's immediate parent company, Goodwin PLC, not seeking repayment of the amounts currently due to Goodwin PLC, which at 30 April 2024 amounted to £3,724,918 and providing additional financial support during that period. The Directors of Goodwin PLC have indicated their intention to continue to make available such funds as are needed by the Company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### **d) Foreign currency**

The financial statements are presented in Pounds Sterling (£), which is also the Company's functional currency. Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account within operating profit.

#### **e) Pension costs**

The Company contributes to a defined contribution pension scheme for employees under an Auto Enrolment Pension arrangement, as required by Government legislation. The assets of the scheme are held in independently administered funds. Company pension costs are charged to the profit and loss account in the year for which contributions are payable.

Contributions to the schemes are made on a monthly basis.

#### **f) Finance costs**

Finance costs comprise interest payable and interest on finance leases using the effective interest method. Interest expense is recognised in the profit and loss account as it accrues.

#### **g) Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

#### **h) Intangible assets**

##### *Research and development*

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

## Notes to the financial statements (continued)

### 1 Significant accounting policies (continued)

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

#### *Other intangible assets*

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

#### *Amortisation*

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets, from the date they are available for use. The estimated useful lives are as follows:

Software and licences	3 years
Development costs	5-10 years

#### *i) Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the profit and loss account over the estimated useful lives of each part of an item of tangible fixed assets. Depreciation rates are as follows:

Asset class	Depreciation method	Useful economic lives
Plant and machinery	Straight line	15 years
Other equipment	Straight line	4-15 years

#### *j) Leases*

##### *Definition of a lease*

A contract is a lease or contains a lease if it transfers the right to use an identified asset over the contract term, in exchange for payment. In determining whether a contract gives the Company the right to use an asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all of the economic benefit of using the asset; and
- the Company has the right to direct the use of the asset by deciding how the asset is employed.

##### *Lease term*

The lease term is the non-cancellable period of a lease, and options to extend the lease or terminate it, where it is probable that the Company will exercise the available options. At the start of a lease, the Company makes a judgement about whether it is reasonably certain to exercise the options, and reassesses this judgement at every reporting period. Contracts, where the original lease term has expired, with assets continuing to be leased on a short-term rolling basis of a few months, are treated as short-term leases.

##### *Lease balances*

A right-of-use asset and a lease liability are calculated at the beginning of a lease. The right-of-use asset is measured initially at cost, being the opening lease liability, adjusted for any lease payments made by the start of the lease, adjusted for any initial direct costs, which have been incurred.

The lease liability is measured initially at the present value of the lease payments, which are outstanding at the start date, discounted at either the rate implicit in the lease or the Company's incremental borrowing rate. With the exception of leases containing an option to purchase, the Company uses its incremental borrowing rate as the

## Notes to the financial statements (continued)

### 1 Significant accounting policies (continued)

discount rate. Lease liabilities are measured at amortised cost, using the effective rate, and adjusted as required for any subsequent change to the lease terms.

The right-of-use asset is depreciated on a straight-line basis over the lease term, or from the start date of the lease to the end of the useful life of the right-of-use asset as appropriate. The method of calculating the estimated useful lives of the right-of-use assets and testing for impairment is the same as that for property, plant and equipment.

The Company has taken advantage of the following recognition exemptions:

- Payments for short-term leases, lasting twelve months or less, without a purchase option, are reported as an operating expense on a straight-line basis over the term of the lease.
- The cost of leasing low-value items is reported as an operating expense over the life of the lease.

#### *k) Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in, first-out principle and includes expenditure incurred in acquiring the stocks and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

#### *l) Non-derivative financial instruments*

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company has become a party to the contractual provisions of the instrument. The principal financial assets and liabilities of the Company are as follows:

##### *Other debtors*

After being recognised initially at fair value, other debtors are measured, subsequently, at amortised cost. The carrying amount of other debtors is considered to be a reasonable approximation of their fair value.

##### *Trade and other payables*

Trade and other payables (including intercompany balances) are recognised initially at fair value, and are subsequently reported at amortised cost.

##### *Recognition and valuation of equity instruments*

Equity instruments are stated at par value, with the par value of ordinary shares being reported as share capital.

#### *m) Impairment*

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount is the greater of an asset's fair value less costs to sell or value in use.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

##### *Reversals of impairment*

In respect of assets other than goodwill, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 2. Accounting estimates and judgements

The Directors make judgements and estimates in applying the Company's accounting policies, to prepare the financial statements.

#### Viability

The Company has invested circa £3.9 million in the area of high-performance Polyimide resins. Once the construction of the production plant has been completed, the Company will commence a period of testing and

## Notes to the financial statements (continued)

### 2. Accounting estimates and judgements (continued)

commissioning of the plant in Q2 and Q3 of financial year 2025 before any commercial activity takes place. The judgement of the Directors is that the market potential here is significant and that future profitability is expected to be strong. Accordingly, the Directors do not see a need to impair the investment in this area.

### 3. Expenses and auditor's remuneration

Included in Loss before taxation are the following expenses:

	2024	2023
	£	£
Amortisation of intangible fixed assets	94	1,332
Depreciation of tangible fixed assets	115,324	95,248
Depreciation of right-of-use assets	36,155	2,955
Loss on disposal of tangible fixed assets	–	3,378

The audit fee for the current year of £4,000 (2023: £2,000) has been borne by the parent company.

### 4. Staff numbers and costs

The average number of persons employed by the Company (including Directors) during the year, analysed by category, was as follows:

	Number of employees	
	2024	2023
Monthly paid employees	10	10
Total employees	10	10

The aggregate payroll costs of these persons were as follows:

	2024	2023
	£	£
Wages and salaries	352,002	112,659
Social security costs	33,417	12,831
Pension costs	8,170	3,000
Total payroll costs	393,589	128,490

Staff costs are capitalised within development costs.

## Notes to the financial statements (continued)

### 5. Directors' remuneration

	2024	2023
	£	£
<i>Aggregate Directors' remuneration:</i>		
Emoluments and benefits in kind	121,696	–
Company contributions to defined contribution pension schemes	214	–
	121,910	–
	2024	2023
Number of Directors who are members of the Company defined contribution pension scheme	1	–

Some Directors are paid via another group entity. Some recharges have been made in the current year; no recharges were made in the previous year.

### 6. Finance costs

	2024	2023
	£	£
Lease interest expense	5,970	538
Total finance costs	5,970	538

### 7. Tax (credit) / charge on loss

#### *Recognised in the profit and loss account*

	2024	2023
	£	£
<i>Current tax</i>		
Current tax on loss for the year	(184,500)	(44,834)
Adjustment in respect of prior years	(30,431)	(2,436)
Total current tax	(214,931)	(47,270)
<i>Deferred taxation</i>		
Origination and reversal of timing differences	121,385	21,570
Adjustment in respect of prior years	28,557	28,705
Rate differences	–	5,983
Total deferred tax	149,942	56,258
	Note 15	
Tax (credit) / charge on loss	(64,989)	8,988

## Notes to the financial statements (continued)

### 7 Tax charge on profit (continued)

#### *Reconciliation of effective tax rate*

The tax (credit) / charge is higher than (2023: higher than) the standard rate of corporation tax in the UK for the year ended 30 April 2024 of 25.00% (2023: 19.49%). The differences are explained below.

	2024	2023
	£	£
Loss before tax	(258,869)	(111,471)
Tax using the UK corporation tax rate of 25.00% (2023: 19.49%)	(64,717)	(21,729)
Non-deductible expenses	1,586	24
Non-taxable income	–	(2,822)
Over provided current tax in previous years	(30,431)	(2,436)
Under provided deferred tax in previous years	28,557	28,705
Other permanent differences	16	1,263
Rate differences	–	5,983
Tax (credit) / charge for the period	(64,989)	8,988

#### *Origination and reversal of temporary differences - rate change to prior year*

The UK government has increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. Deferred tax balances have been calculated in accordance with the legislation.

### 8. Intangible assets

	Software and licences £	Develop- ment costs £	Total £
<i>Cost</i>			
At 01 May 2023	3,980	1,740,853	1,744,833
Additions	–	741,186	741,186
At 30 April 2024	3,980	2,482,039	2,486,019
<i>Amortisation</i>			
At 01 May 2023	3,886	–	3,886
Charged in the year	94	–	94
At 30 April 2024	3,980	–	3,980
<i>Net book value</i>			
At 30 April 2023	94	1,740,853	1,740,947
At 30 April 2024	–	2,482,039	2,482,039

The development cost additions relate to the polymer production process. Amortisation will be charged on development costs once the development has been completed and products are being sold.

The amortisation charge is recognised in administrative expenses in the profit and loss account.

## Notes to the financial statements (continued)

### 9. Tangible assets

	Plant and machinery £	Other equipment £	Total £
<i>Cost</i>			
At 01 May 2023	1,609,594	18,720	1,628,314
Additions	42,126	23,347	65,473
At 30 April 2024	<u>1,651,720</u>	<u>42,067</u>	<u>1,693,787</u>
<i>Depreciation</i>			
At 01 May 2023	175,206	5,336	180,542
Charged in the year	109,278	6,046	115,324
At 30 April 2024	<u>284,484</u>	<u>11,382</u>	<u>295,866</u>
<i>Net book value</i>			
At 30 April 2023	1,434,388	13,384	1,447,772
At 30 April 2024	<u>1,367,236</u>	<u>30,685</u>	<u>1,397,921</u>

Depreciation is reported as follows:

The depreciation charge for plant and machinery is capitalised within development costs; the depreciation charge for other equipment is reported within administrative expenses.

## Notes to the financial statements (continued)

### 10. Right-of-use assets

	Plant and machinery £	Total £
<i>Cost</i>		
At 01 May 2023	177,289	177,289
Additions	17,440	17,440
At 30 April 2024	194,729	194,729
<i>Depreciation</i>		
At 01 May 2023	2,955	2,955
Charged in the year	36,155	36,155
At 30 April 2024	39,110	39,110
<i>Net book value</i>		
At 30 April 2023	174,334	174,334
At 30 April 2024	155,619	155,619

Depreciation is reported as follows:

	2024 £	2023 £
Administrative expenses	36,155	2,955
	36,155	2,955

The right-of-use assets secure lease liabilities as shown in note 13.

### 11. Stocks

	2024 £	2023 £
Raw materials and consumables	305,882	–
Total stocks	305,882	–

### 12. Debtors

	2024 £	2023 £
<i>Amounts falling due within one year</i>		
Advance payments to suppliers	28,000	–
Prepayments and accrued income	290,444	279,780
Corporation tax receivable	67,229	11,588
Total due within one year	385,673	291,368

## Notes to the financial statements (continued)

### 13. Creditors: amounts falling due within one year

	2024	2023
	£	£
Obligations under lease agreements	30,474	25,386
Trade creditors	460,262	55,562
Amounts owed to group undertakings – parent company	3,724,918	3,011,655
Amounts owed to group undertakings – fellow subsidiaries	–	2,364
Other taxation and social security	18,071	7,834
<b>Total due within one year</b>	<b>4,233,725</b>	<b>3,102,801</b>

#### *Lease liabilities*

	2024	2023
	£	£
Opening balance	131,775	–
Additions	17,441	139,009
Interest expense	5,970	538
Lease payments	(33,418)	(7,772)
<b>Closing balance</b>	<b>121,768</b>	<b>131,775</b>
Lease liabilities due within one year	30,474	25,386
Lease liabilities due after more than one year	91,294	106,389
<b>Total lease liabilities</b>	<b>121,768</b>	<b>131,775</b>

The Company holds one lease for the plant and machinery shown in note 10.

### 14. Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Obligations under lease agreements	91,294	106,389
Creditors - amounts falling due 1-5 years	91,294	106,389

## Notes to the financial statements (continued)

### 15. Deferred tax assets / (liabilities)

	Intangible assets £	Tangible assets £	Other temporary differences £	Total £
At 01 May 2022	(65,208)	(96,550)	(10)	(161,768)
Movement in the year – recognised in profit and loss account	(27,511)	(28,709)	(38)	(56,258)
At 30 April 2023	(92,719)	(125,259)	(48)	(218,026)
At 01 May 2023	(92,719)	(125,259)	(48)	(218,026)
Movement in the year – recognised in profit and loss account	(112,046)	(37,896)	–	(149,942)
At 30 April 2024	(204,765)	(163,155)	(48)	(367,968)

### 16. Share capital and reserves

#### Share capital

	2024 £	2023 £
Allotted, called up and fully paid 500,000 ordinary shares of £1 each	500,000	500,000
Shares classified in shareholders' funds	500,000	500,000

The holders of ordinary shares are entitled to receive dividends, as declared from time to time, and are entitled to one vote per share at meetings of the Company.

### 17. Related parties

As a wholly owned subsidiary, the Company has applied the exemptions available under FRS 101 in respect of the disclosure of transactions with its parent company, Goodwin PLC, and fellow wholly-owned subsidiary companies. The company has transacted with Easat Radar Systems Limited, a fellow, non wholly-owned subsidiary companies. The following table outlines related party transactions.

	2024 £	2023 £
<i>Related party expenses</i>		
Purchase of goods and services - fellow subsidiaries	81,150	–
Total related party expenses	81,150	–

### 18. Ultimate parent company

The Company is a subsidiary undertaking of Goodwin PLC, which is the ultimate parent company. Goodwin PLC is incorporated in England and Wales and its registered office is Ivy House Foundry, Hanley, Stoke-on-Trent, ST1 3NR.