Registered number: 03913109

SARCLAD LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

COMPANY INFORMATION

Directors	E A Roskovensky E H Stoeckel S Meadows R S Cowlishaw
Company secretary	S H Meadows
Registered number	03913109
Registered office	Unit 3 - Evolution Advanced Manufacturing Park Whittle Way Rotherham South Yorkshire S60 5BL
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1 Holly Street Sheffield South Yorkshire S1 2GT
Bankers	HSBC Bank plc Market Place Chesterfield S40 1TN

SARCLAD LIMITED

CONTENTS

	Page
Group Strategic Report	1 - 2
Directors' Report	3 - 5
Independent Auditor's Report	6 - 10
Consolidated Statement of Comprehensive Income	11
Consolidated Statement of Financial Position	12
Company Statement of Financial Position	13
Consolidated Statement of Changes in Equity	14
Company Statement of Changes in Equity	15
Consolidated Statement of Cash Flows	16 - 17
Notes to the Financial Statements	18 - 40

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

Introduction

The group comprises Sarclad Limited, with its head office in Rotherham, United Kingdom and its wholly owned subsidiary based in Shanghai China.

The group's principal activity is the development and assembly of high-technology surface conditioning and monitoring equipment for use in steel manufacturing and processing.

This activity is undertaken through its head office in Rotherham, United Kingdom, where machine design, procurement, assembly and testing work are performed along with Group Sales, Finance and HR functions. The China location provides support to the sales activity as well as machine install and service work.

Business review

The results for the year are shown in the Statement of Comprehensive Income on page 11.

Financial and other key performance indicators are noted below.

Principal risks and uncertainties

Competitor Risk
Competition from companies in Asia and North America can have an impact on the profitability of specific products. Technical innovation and maintaining a strong reputation are considered the best ways to respond to these risks.

The group aims to strengthen its market position by following a course of technical development programmes in support of its product range and to develop new products in complimentary markets. Strong relationships are formed with its leading customers by providing a high level of technical support and service.

Credit Risk
The group's principal financial assets are bank and cash balances and trade and other receivables. The company's credit risk is attributable to its trade receivables. The amounts presented in the Consolidated and Company Statements of Financial Position are net of allowances for doubtful receivables. The group has no significant concentration of credit risk, with exposure spread over a large number of counterparts and customers. Appropriate trade terms are negotiated with suppliers and customers and management reviews these terms and the relationships with suppliers and customers and manages any exposure on normal trade terms. Debtors include amounts recoverable on long term contracts. The timing of settlement of these amounts can vary, being dependent on a number of contractual phases subsequent to the delivery of machinery to site, including install, commissioning, and performance testing.

Interest Rate Risk
Amounts owed to related undertakings are held at fixed interest rates. As at 31 December 2024 the group had no interest bearing external debt.

Liquidity Risk
The directors consider that the group's banking facilities are adequate going forward.
The directors believe that, by keeping all the company's liquid assets in reputable financial institutions, they are minimising the risk of financial losses to the group.

Currency Risk
A large proportion of the group's sales are in foreign currency, predominantly US dollars and Euros, and amounts owed to related undertakings are denominated in US dollars. This creates currency risk through exposure to movements in exchange rates. Where it is considered to be beneficial the group takes out forward exchange contracts to manage the risk accordingly.

Financial and other key performance indicators

Consolidated turnover has increased by 48% in the year, reflecting the timing of projects and higher volumes for Electro Discharge Texturing ("EDT") and Strand Condition Monitor ("SCM") products. Key EDT orders were successfully delivered to India, China and North America while the strong SCM performance was across all regions. Total volumes remained below the anticipated level, leading to the business generating a consolidated operating loss of £1,351,596. This represented an improvement on the prior year *(2023: consolidated operating loss of £1,951,405)*, driven by control of fixed overheads and reduced FX translation losses

While India and North America provided a strong contribution to group revenues, China continues to remain below pre-pandemic activity levels, with local economic drivers continuing to impact investment in capital equipment, in particular from the public sector. Contracts have been secured primarily with private companies in China, with increasing opportunity also being stimulated by new variants of existing products and new products developed within the business.

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

Richard Cowlishaw

R S Cowlishaw
Director

Date: 26/9/2025

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their report and the financial statements for the year ended 31 December 2024.

Results and dividends

The loss for the year, after taxation, amounted to £2,139,137 *(2023: loss £2,423,905)*.

The directors do not recommend the payment of a dividend *(2023: £Nil)*.

Directors

The directors who served during the year were:

E A Roskovensky
E H Stoeckel
S Meadows
R S Cowlishaw

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report and Directors' Report and the consolidated 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the group 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

The group and the company have prepared forecasts to 30 September 2026, and the company has obtained a letter of support from The Heico Companies LLC and from Heico Holding, Inc. confirming that they would not recall intercompany loans for at least 12 months from the date of approval of the financial statements if the company's forecasts indicated that it cannot afford repayments due, and that they will have the resources available to provide this financial support.

Based on the above, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the group has sufficient resources and available facilities to continue in existence for the foreseeable future, including support from the parent company. The directors have reviewed forecasts for the period of at least 12 months after the date the financial statements are signed and for this reason the directors consider that the adoption of the going concern basis in preparing the financial statements is appropriate and do not consider that there are any material uncertainties that may cast significant doubt over the group's ability to operate as a going concern.

Future developments

The business continues to invest in product development, in order to maintain its position as the market leader in our key product areas. We have enhanced our internal structure and processes in order to better identify and develop new products to support our longer term growth objectives.

During 2024 the business successfully delivered one of its newly designed flagship Rolltex MSA (Multi Servo Array) EDT machines to India. This machine provides unrivalled roll texturing performance and complements our existing Rolltex EDT product range. The Rollscan Mark VII is now offering 3 model variants including creep wave capability, while the recently introduced calliper based inline caster monitoring system creates a full caster management offering together with the offline SCM product. We have continued to promote a new CMS (Contamination Measurement System) product, the first of its kind, able to offer continuous monitoring of the cleanliness of strip lines.

The business has adopted a continuous process of developing and searching for new product development opportunities as part of its rolling 5 year strategy. This activity is now core to our business model, which focuses on leveraging the core knowledge base and existing footprint, to grow both revenues and earnings.

Qualifying third party indemnity provisions

There were no qualifying third party indemnity policies in place during the current or previous year.

Post balance sheet events

Work in progress as at 31 December 2024 includes £518,231 *(2023: £485,031)* in relation to a contract in the course of construction for a Russian customer. Following the establishment of sanctions by the UK government, the business was prohibited from proceeding with shipment of the machine to Russia.

Subsequent to the balance sheet date, a three-way agreement was reached under which the original contract with NLMK Russia has been cancelled and a new contract agreed between Sarclad Limited and NLL Belgium, a related party of NLMK Russia.

Upon the advice of outside legal counsel, the directors are satisfied that the structure agreed established a legally compliant resolution and the unit was sold to NLL Belgium in April 2025. Full settlement of amounts due have been received from NLL Belgium.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

Auditor

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

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

Richard Cowlishaw

R S Cowlishaw
Director

Date: 26/9/2025

GrantThornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SARCLAD LIMITED

Opinion

We have audited the financial statements of Sarclad Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31 December 2024, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's and the parent company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 group and the parent 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as volatile interest rates, exchange rates, rising energy costs and pressures on wages. All of which, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SARCLAD LIMITED (CONTINUED)

Conclusions relating to going concern (continued)

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 group's and the parent 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 Group Strategic Report, other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Group Strategic 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

GrantThornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SARCLAD LIMITED (CONTINUED)

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement 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 group's and the parent 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 group or the parent 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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting frameworks (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which the group operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to the health and safety, employee matters, data protection, environmental, and bribery and corruption practices.
- We understood how the group is complying with those legal and regulatory frameworks by making enquiries of management. We corroborated our enquiries through our review of board minutes and legal expenses.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by discussions with management to understand where management considered there is a susceptibility of fraud.
- Audit procedures performed by the engagement team included:
  - evaluation of the controls established to address the risk relates to irregularities and fraud;
  - testing manual journal entries, in particular journal entries determined to be large or relating to unusual transactions based on the understanding of the business;
  - identifying and testing related party transactions;
  - completion of audit procedures to conclude on the compliance of disclosures in the Group Strategic Report and the Group Director's report and accounts with applicable financial reporting requirements.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team including consideration of the engagements team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the client operates; - understanding of the legal and regulatory requirements specific to the entity.

Grant Thornton

Auditor's responsibilities for the audit of the financial statements (continued)

- For components at which audit procedures were performed, we requested component auditors to report to us instances of non-compliance with laws and regulations that gave rise to a risk of material misstatement of the group financial statements.
- The use of external experts where considered necessary.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

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

Use of 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.

Donna Steel

Donna Steel BA(Hons) FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield
Date: 26/9/2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	*2023 £*
Turnover	4	**13,118,306**	*8,844,930*
Cost of sales		**(9,827,934)**	*(7,214,028)*
Gross profit		**3,290,372**	*1,630,902*
Selling expenses		**(1,239,175)**	*(1,154,867)*
Administrative expenses		**(3,441,694)**	*(2,477,931)*
Other operating income	5	**38,901**	*50,491*
Operating loss	6	**(1,351,596)**	*(1,951,405)*
Interest receivable and similar income	10	**339**	*152*
Interest payable and similar expenses	11	**(787,880)**	*(472,652)*
Loss before tax		**(2,139,137)**	*(2,423,905)*
Tax on loss	12	**-**	*-*
Loss for the financial year		**(2,139,137)**	*(2,423,905)*
Currency translation differences		**5,670**	*(33,628)*
Total comprehensive loss for the year		**(2,133,467)**	*(2,457,533)*
Loss for the year attributable to:			
Owners of the parent company		**(2,139,137)**	*(2,423,905)*

There were no recognised gains and losses for 2024 or 2023 other than those included in the Consolidated Statement of Comprehensive Income.

There was no other comprehensive income for 2024 *(2023: £Nil)*.

The notes on pages 18 to 40 form part of these financial statements.

SARCLAD LIMITED
REGISTERED NUMBER:03913109

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note		2024 £		2023 £
Fixed assets					
Tangible assets	13		**138,023**		*100,543*
Current assets					
Stocks	15	**4,417,913**		*4,743,367*	
Debtors	16	**5,262,266**		*4,553,352*	
Cash at bank and in hand	17	**772,983**		*266,306*	
		10,453,162		*9,563,025*	
Creditors: amounts falling due within one year	18	**(12,982,486)**		*(9,815,103)*	
Net current liabilities			**(2,529,324)**		*(252,078)*
Total assets less current liabilities			**(2,391,301)**		*(151,535)*
Creditors: amounts falling due after more than one year	19		**(8,831,495)**		*(8,955,489)*
Provisions for liabilities					
Other provisions	21		**(32,170)**		*(14,475)*
Net liabilities			**(11,254,966)**		*(9,121,499)*
Capital and reserves					
Called up share capital	24		**2**		*2*
Share premium account	22		**3,285,083**		*3,285,083*
Foreign exchange reserve	22		**(40,052)**		*(45,722)*
Profit and loss account	22		**(14,499,999)**		*(12,360,862)*
Total equity			**(11,254,966)**		*(9,121,499)*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26/9/2025

Richard Cowlishaw

R S Cowlishaw
Director

The notes on pages 18 to 40 form part of these financial statements.

SARCLAD LIMITED
REGISTERED NUMBER:03913109

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note		2024 £		*2023 £*
Fixed assets					
Tangible assets	13		**135,330**		*95,693*
Investments	14		**40,000**		*40,000*
			175,330		*135,693*
Current assets					
Stocks	15	**4,254,931**		*4,579,041*	
Debtors	16	**8,342,565**		*7,458,536*	
Cash at bank and in hand	17	**245,684**		*246,020*	
		12,843,180		*12,283,597*	
Creditors: amounts falling due within one year	18	**(12,713,785)**		*(9,621,546)*	
Net current assets			**129,395**		*2,662,051*
Total assets less current liabilities			**304,725**		*2,797,744*
Creditors: amounts falling due after more than one year	19		**(8,831,495)**		*(8,955,489)*
Provisions for liabilities					
Other provisions	21		**(15,029)**		*(14,475)*
Net liabilities			**(8,541,799)**		*(6,172,220)*
Capital and reserves					
Called up share capital	24		**2**		*2*
Share premium account	22		**3,285,083**		*3,285,083*
Profit and loss account	22		**(11,826,884)**		*(9,457,305)*
Total equity			**(8,541,799)**		*(6,172,220)*

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent company for the period was £2,369,579 *(2023: £1,876,726)*.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26/9/2025

Richard Cowlishaw
R S Cowlishaw
Director

The notes on pages 18 to 40 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2024	2	3,285,083	(45,722)	(12,360,862)	(9,121,499)
Comprehensive loss for the year					
Loss for the year	-	-	-	(2,139,137)	(2,139,137)
Currency translation differences	-	-	5,670	-	5,670
At 31 December 2024	**2**	**3,285,083**	**(40,052)**	**(14,499,999)**	**(11,254,966)**

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

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2023	2	3,285,083	(12,094)	(9,936,957)	(6,663,966)
Comprehensive loss for the year					
Loss for the year	-	-	-	(2,423,905)	(2,423,905)
Currency translation differences	-	-	(33,628)	-	(33,628)
At 31 December 2023	**2**	**3,285,083**	**(45,722)**	**(12,360,862)**	**(9,121,499)**

The notes on pages 18 to 40 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2024	2	3,285,083	(9,457,305)	(6,172,220)
Comprehensive loss for the year				
Loss for the year	-	-	(2,369,579)	(2,369,579)
At 31 December 2024	2	3,285,083	(11,826,884)	(8,541,799)

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2023	2	3,285,083	(7,580,579)	(4,295,494)
Comprehensive loss for the year				
Loss for the year	-	-	(1,876,726)	(1,876,726)
At 31 December 2023	2	3,285,083	(9,457,305)	(6,172,220)

The notes on pages 18 to 40 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £	2023 £
Cash flows from operating activities		
Loss for the financial year	**(2,139,137)**	*(2,423,905)*
Adjustments for:		
Depreciation of tangible assets	**50,280**	*52,519*
Loss on disposal of tangible assets	**839**	*170*
Interest payable	**787,880**	*472,652*
Interest receivable	**(339)**	*(152)*
Decrease/(increase) in stocks	**325,454**	*(1,917,530)*
(Increase)/decrease in debtors	**(736,648)**	*1,831,105*
Decrease/(increase) in amounts owed by groups	**27,669**	*(70,731)*
Increase/(decrease) in creditors	**12,320**	*(345,057)*
Increase in amounts owed to groups	**3,035,761**	*2,673,952*
Increase in provisions	**17,695**	*8,297*
Corporation tax received/(paid)	**65**	*(2,426)*
Net cash generated from operating activities	**1,381,839**	*278,894*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(88,599)**	*(1,142)*
Interest received	**339**	*152*
Finance lease interest paid	**(71)**	*(1,440)*
Net cash used in investing activities	**(88,331)**	*(2,430)*

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £	2023 £
Cash flows from financing activities		
Repayment of finance leases	**(4,692)**	*(20,398)*
Interest paid	**(787,809)**	*(471,212)*
Net cash used in financing activities	**(792,501)**	*(491,610)*
Net decrease in cash and cash equivalents	**501,007**	*(215,146)*
Cash and cash equivalents at beginning of year	**266,306**	*515,080*
Effect of exchange rates on cash and cash equivalents	**5,670**	*(33,628)*
Cash and cash equivalents at the end of year	**772,983**	*266,306*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**772,983**	*266,306*

The notes on pages 18 to 40 form part of these financial statements.

1. General information

Sarclad Limited is a private company limited by shares, incorporated in England and Wales. Registered number 03913109. Its registered office is located at Unit 3 - Evolution, Advanced Manufacturing Park, Whittle Way, Rotherham, South Yorkshire, S60 5BL.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The group and company's financial statements are presented in Sterling and all values are rounded to the nearest pound (£) except when otherwise stated.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3). All transactions with the group entities are conducted at arm's length.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions – company only

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

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

2. Accounting policies (continued)

2.3 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.4 Going concern

The group and the company have prepared forecasts to 30 September 2026, and the company has obtained a letter of support from The Heico Companies LLC and from Heico Holding, Inc. confirming that they would not recall intercompany loans for at least 12 months from the date of approval of the financial statements if the company's forecasts indicated that it cannot afford repayments due, and that they will have the resources available to provide this financial support.

Based on the above, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the group has sufficient resources and available facilities to continue in existence for the foreseeable future, including support from the parent company. The directors have reviewed forecasts for the period of at least 12 months after the date the financial statements are signed and for this reason the directors consider that the adoption of the going concern basis in preparing the financial statements is appropriate and do not consider that there are any material uncertainties that may cast significant doubt over the group's ability to operate as a going concern.

2.5 Revenue

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

Sale of goods

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

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

2. Accounting policies (continued)

2.5 Revenue (continued)

Rendering of services

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

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

The business undertakes contractual work, covering the design and supply of capital equipment and related on-site services, as well as aftermarket sales of spares parts and service.

For contractual work, the fair value of revenue attributable to the supply of equipment is recognised on delivery, being the point at which the design, procurement, build, testing and shipment phases of contract have been completed. The fair value of revenue attributable to the on-site supervision of the installation and commissioning of the equipment is recognised on issue of the relevant acceptance certificate, confirming contractual obligations related to this phase of the contract have been completed.

Revenue attributable to spare part sales is recognised on delivery. Revenue attributable to the provision of services is recognised on completion.

2.6 Tangible Assets

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

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided on the following basis:

Long term leasehold property	- 10 years
Plant & machinery	- 5 to 10 years
Fixtures & fittings	- 10 years
Computer equipment	- 3 to 5 years

2. Accounting policies (continued)

2.6 Tangible Assets (continued)

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the Consolidated Statement of Comprehensive Income.

Assets under construction are accounted for at cost, based on the direct costs incurred to 31 December. They are not depreciated until they are brought in to use.

2.7 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each Statement of Financial Position date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each Statement of Financial Position date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Investments

Investments in subsidiary are measured at cost less accumulated impairment.

2.9 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the period of the lease.

2.10 Stocks

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

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

2. Accounting policies (continued)

2.11 Cash and cash equivalents

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

2.12 Financial instruments

The group has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's Statement of Financial Position when the group 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 trade and other debtors, cash and bank balances, are initially measured at their transaction price (adjusted for transaction costs except in the initial measurement of financial assets that are subsequently measured at fair value through profit and loss) and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The group's cash and cash equivalents, trade and most other debtors due within the operating cycle fall into this category of financial instruments.

Impairment of financial assets

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

2. Accounting policies (continued)

2.12 Financial instruments (continued)

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 group after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other creditors, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price (adjusting for transaction costs except in the initial measurement of financial liabilities that are subsequently measured at fair value through profit and loss). When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest, discounting is omitted where the effect of discounting is immaterial.

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

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

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the group transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the group will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents and all other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'administrative expenses'.

2.14 Finance costs

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

2.15 Pensions

Defined contribution pension plan

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

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

2. Accounting policies (continued)

2.16 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.17 Provisions for liabilities

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

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the group becomes aware of the obligation, and are measured within the Statement of Financial Position at the best estimate of expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.18 Research and development

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

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

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets. liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in the financial statements, when, and if, better information is obtained.

Critical judgements and sources of estimation uncertainty that management have made in the process of applying accounting policies disclosed herein and that have a significant effect on the amounts recognised in the financial statements relates to the following:

Judgements

Useful economic lives and tangible assets (see note 13)
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property plant and equipment, and note 2.6 for the useful economic lives for each class of assets.

Stock provisioning (see note 15)
The group is engaged in the development and assembly of high-technology surface conditioning and monitoring equipment and is subject to changing consumer demands and technology developments. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 15 for the net carrying amount of the stock and associated provision.

Estimates

Impairment of debtors (see note 16)
The group make an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management consider factors including the current credit rating of the debtor, the ageing profile and the historical experience of the debtor.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company and the group.

Analysis of turnover by country of destination:

	2024 £	2023 £
China	4,057,427	1,961,277
India	3,215,571	1,184,449
North America	3,723,265	3,762,110
Turkey	268,881	73,084
Germany	312,712	1,156,659
Italy	657,724	79,925
Poland	6,179	55,353
United Kingdom	221,224	256,307
Rest of Europe	257,192	228,891
Rest of the world	398,131	86,875
	13,118,306	8,844,930

5. Other operating income

	2024 £	2023 £
Research and development expenditure tax credit	38,901	50,491

6. Operating loss

The operating loss is stated after charging/(crediting):

	2024 £	2023 £
Depreciation of tangible fixed assets	50,280	52,519
Bad debt expense/(credit)	76	(17,700)
Research & development charged as an expense	157,770	299,849
Loss/(gain) on exchange differences	263,307	(599,209)
Operating lease rentals	353,680	332,269
Loss/(profit) on disposal of fixed assets	665	-

7. Auditor's remuneration

	2024 £	2023 £
Fees payable to the company's auditor for the audit of the consolidated and parent company's financial statements	**59,361**	*56,091*
Fees payable to the company's auditor in respect of:		
Taxation compliance services	**8,855**	*8,811*
Accounts preparation services	**4,000**	*6,206*
Research and development expenditure tax credit services	**15,000**	*15,500*

8. Employees

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

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Wages and salaries	**3,318,863**	*3,109,010*	**2,795,557**	*2,579,068*
Social security costs	**415,606**	*394,140*	**306,643**	*286,906*
Cost of defined contribution scheme	**628,447**	*634,008*	**628,447**	*634,008*
	4,362,916	*4,137,158*	**3,730,647**	*3,499,982*

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

	Group 2024 No.	Group 2023 No.	Company 2024 No.	Company 2023 No.
Production	**42**	*40*	**37**	*35*
Selling	**11**	*10*	**9**	*8*
Administration	**17**	*17*	**16**	*16*
	70	*67*	**62**	*59*

9. Directors' remuneration

	2024 £	2023 £
Directors' emoluments	126,082	116,430
Group contributions to defined contribution pension schemes	24,296	23,383
	150,378	139,813

During the year retirement benefits were accruing to 1 director *(2023: 1)* in respect of defined contribution pension schemes.

The directors are also considered to be key management personnel.

Under FRS 102 Section 33.7A, the group has taken the exemption to disclose key management compensation on the basis key management personnel and directors are the same.

10. Interest receivable

	2024 £	2023 £
Other interest receivable	339	152

11. Interest payable and similar charges

	2024 £	2023 £
Interest payable on group loans	787,809	471,212
Finance leases and hire purchase contracts	71	1,440
	787,880	472,652

12. Taxation

	2024 £	*2023 £*
Corporation tax		
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on loss on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2023: higher than)* the standard rate of corporation tax in the UK of 25% *(2023: 23.52%)*. The differences are explained below:

	2024 £	*2023 £*
Loss on ordinary activities before tax	**(2,139,137)**	*(2,423,905)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% *(2023: 23.52%)*	**(534,784)**	*(570,102)*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**43,151**	*46,058*
Fixed asset differences	**2,715**	*2,551*
Difference in China tax rate 25%	**-**	*(11,580)*
Movement in deferred tax not recognised	**488,213**	*530,128*
Research and development expenditure credits	**705**	*2,945*
Total tax charge for the year	**-**	*-*

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). There has been no change to corporation tax rates for the financial year end date. For the current financial year the weighted average tax rate is 25%. Deferred taxes at the Statement of Financial Position date have been measured using these enacted tax rates and reflected in these financial statements.

13. Tangible fixed assets

Group

	Long term leasehold property £	Plant & machinery £	Fixtures & fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2024	**880,484**	**83,543**	**64,188**	**299,775**	**1,327,990**
Additions	**-**	**8,039**	**758**	**79,802**	**88,599**
Disposals	**-**	**-**	**(16,778)**	**(89,118)**	**(105,896)**
At 31 December 2024	**880,484**	**91,582**	**48,168**	**290,459**	**1,310,693**
Depreciation					
At 1 January 2024	**815,718**	**82,135**	**58,101**	**271,493**	**1,227,447**
Charge for the year on owned assets	**23,671**	**1,702**	**2,949**	**21,958**	**50,280**
Disposals	**-**	**-**	**(15,939)**	**(89,118)**	**(105,057)**
At 31 December 2024	**839,389**	**83,837**	**45,111**	**204,333**	**1,172,670**
Net book value					
At 31 December 2024	**41,095**	**7,745**	**3,057**	**86,126**	**138,023**
At 31 December 2023	*64,766*	*1,408*	*6,087*	*28,282*	*100,543*

13. Tangible fixed assets (continued)

Company

	Long term leasehold property £	Plant & machinery £	Fixtures & fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2024	880,484	83,543	8,730	299,775	1,272,532
Additions	-	8,039	-	79,802	87,841
Disposals	-	-	-	(89,118)	(89,118)
At 31 December 2024	880,484	91,582	8,730	290,459	1,271,255
Depreciation					
At 1 January 2024	815,718	82,135	7,493	271,493	1,176,839
Charge for the year on owned assets	23,671	1,702	873	21,958	48,204
Disposals	-	-	-	(89,118)	(89,118)
At 31 December 2024	839,389	83,837	8,366	204,333	1,135,925
Net book value					
At 31 December 2024	41,095	7,745	364	86,126	135,330
At 31 December 2023	*64,766*	*1,408*	*1,237*	*28,282*	*95,693*

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2024	**40,000**
At 31 December 2024	**40,000**

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Registered office	Class of shares	Holding
Sarclad China Limited	Room 205, B Block, No. 2679 Hechuan Road, Minhang District, Shanghai, 201103, China	Ordinary	100%

15. Stocks

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Raw materials and consumables	**1,263,090**	*1,208,952*	**1,100,108**	*1,054,278*
Work in progress (goods to be sold)	**3,154,823**	*3,534,415*	**3,154,823**	*3,524,763*
	4,417,913	*4,743,367*	**4,254,931**	*4,579,041*

Stocks are stated after a provision for impairment of £260,163 *(2023: £471,363)*.

Work in progress as at 31 December 2024 includes £518,231 *(2023: £485,031)* in relation to a contract in the course of construction for a Russian customer. Following the establishment of sanctions by the UK government, the business was prohibited from proceeding with shipment of the machine to Russia.

Subsequent to the balance sheet date, a three-way agreement was reached under which the original contract with NLMK Russia has been cancelled and a new contract agreed between Sarclad Limited and NLL Belgium, a related party of NLMK Russia.

Upon the advice of outside legal counsel, the directors are satisfied that the structure agreed established a legally compliant resolution and the unit was sold to NLL Belgium in April 2025. Full settlement of amounts due have been received from NLL Belgium.

16. Debtors

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Trade debtors	**3,613,182**	*2,000,365*	**2,967,055**	*1,682,634*
Amounts owed by group companies	**9,746**	*37,414*	**9,746**	*37,414*
Other debtors	**452,925**	*225,071*	**172,303**	*190,352*
Prepayments & accrued income	**507,148**	*462,516*	**472,762**	*451,595*
Amounts recoverable on contracts	**679,265**	*1,805,611*	**679,265**	*1,805,611*
	5,262,266	*4,530,977*	**4,301,131**	*4,167,606*

Trade debtors are stated after provision for impairment of £27,095 *(2023: £27,095)*.

16. Debtors (continued)

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Due after more than one year				
Amounts owed by group companies	-	-	4,041,434	3,290,930
Trade debtors	-	22,375	-	-
	-	22,375	4,041,434	3,290,930

Amounts owed by group companies are due from Sarclad China Limited, accruing interest at a fixed rate of 6.75%.

17. Cash and cash equivalents

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Cash at bank and in hand	772,983	266,306	245,684	246,020

In December 2023, Sarclad Limited entered into a cash pooling arrangement with other affiliate companies, under which cash balances are swept or replenished daily so as to maintain agreed closing account balances. Interest is chargeable/receivable on net drawings or deposits to the cash pool based on a margin above SONIA (GBP), Euribor (EURO) or US Federal Reserve (USD) rates. The pool is headed by Heico Netherlands Finance BV, an affiliate company. At the end of the period Sarclad Limited has a creditor balance due to Heico Netherlands Finance BV of £1,318,029 *(2023: debtor £35,023)*.

18. Creditors: Amounts falling due within one year

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Payments received on account	1,259,081	629,483	1,192,596	580,116
Trade creditors	984,902	1,531,007	965,559	1,514,424
Amounts owed to group undertakings	9,592,627	6,432,870	9,592,627	6,432,870
Other taxation and social security	163,983	105,114	87,895	92,463
Obligations under finance lease and hire purchase contracts	-	4,692	-	4,692
Accruals and deferred income	981,893	1,111,937	875,108	996,981
	12,982,486	9,815,103	12,713,785	9,621,546

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

19. Creditors: Amounts falling due after more than one year

	Group 2024 £	*Group 2023 £*	**Company 2024 £**	*Company 2023 £*
Amounts owed to group undertakings	**8,831,495**	*8,955,489*	**8,831,495**	*8,955,489*

Amounts owed to group undertakings include loans totalling £2,122,005 *(2023: £6,432,870)* payable within one year, and £6,916,586 *(2023: £1,936,158)* payable after more than one year. Loans are unsecured and carry interest rates between 5.10% and 6.25%. All other amounts owed to group undertakings are unsecured and interest-free with no repayment term. Loans and other amounts owed to group undertakings are subject to the letter of support obtained from the loan provider confirming no repayment will be sought within 12 months from the date of signing of the financial statements.

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2024 £	*2023 £*
Within one year	-	*4,763*
Less: Finance charges	-	*(71)*
	-	*4,692*

21. Provisions

Group

	Warranty provision £
At 1 January 2024	**14,475**
Charged to profit or loss	**17,695**
At 31 December 2024	**32,170**

21. Provisions (continued)

Company

	Warranty provision £
At 1 January 2024	14,475
Charged to profit or loss	554
At 31 December 2024	**15,029**

The warranty provision is in respect of the company's undertaking to repair or replace those items that fail to perform satisfactorily.

22. Reserves

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Foreign exchange reserve

Comprises translation differences arising from the translation of financial statements of the group's foreign entity into Sterling (£).

Profit & loss account

Includes all current and prior period retained profits and losses.

23. Analysis of net debt

	At 1 January 2024 £	Cash flows £	Exchange Differences £	At 31 December 2024 £
Cash at bank and in hand	266,306	501,007	5,670	772,983
Finance leases	(4,692)	4,692	-	-
	261,614	505,699	5,670	772,983

24. Share capital

	2024 £	*2023 £*
Authorised, allotted, called up and fully paid		
2 *(2023: 2)* Ordinary shares of £1 each	**2**	*2*

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

25. Contingent liabilities

The company has set up guarantees to third parties in respect of advance payment, performance and warranty guarantees on machine sales given in the normal course of business. At 31 December 2024 guarantees amounted to £955,435 *(2023: £934,509)*. These guarantees were provided through the banking facilities of The Heico Companies LLC.

26. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £579,792 *(2023: £578,205)*. Contributions totalling £48,654 *(2023: £51,117)* were payable to the fund at the reporting date and are included in creditors.

27. Commitments under operating leases

At 31 December 2024 the group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2024 £	*Group 2023 £*	**Company 2024 £**	*Company 2023 £*
Not later than 1 year	**346,254**	*187,881*	**291,820**	*171,796*
Later than 1 year and not later than 5 years	**725,943**	*488,558*	**671,509**	*488,558*
Later than 5 years	**294,530**	*354,667*	**278,654**	*354,667*
	1,366,727	*1,031,106*	**1,241,983**	*1,015,021*

28. Post balance sheet events

Work in progress as at 31 December 2024 includes £518,231 *(2023: £485,031)* in relation to a contract in the course of construction for a Russian customer. Following the establishment of sanctions by the UK government, the business was prohibited from proceeding with shipment of the machine to Russia.

Subsequent to the balance sheet date, a three-way agreement was reached under which the original contract with NLMK Russia has been cancelled and a new contract agreed between Sarclad Limited and NLL Belgium, a related party of NLMK Russia.

Upon the advice of outside legal counsel, the directors are satisfied that the structure agreed established a legally compliant resolution and the unit was sold to NLL Belgium in April 2025. Full settlement of amounts due have been received from NLL Belgium.

29. Related party transactions

Details of related party transactions occurring during the period are as follows:

To Sarclad North America LP, affiliate company, recharges were made of £135,829 *(2023: £162,337)* and sales were made of £1,888,516 *(2023: £1,117,249)* with £Nil debtor balance at the period end *(2023: £Nil)*. Purchases were made of £25,037 *(2023: £83,180)* with a creditor balance at the period end of £1,914,909 *(2023: £1,760,771)*. Interest expense for the period ended December 2024 totalled £130,600.

To Neo Industries Inc, affiliate company, recharges were received of £9,746 and sales of £9,746 in 2024 were made *(2023: £1,458,332)* with £9,746 debtor balance at the period end *(2023: £Nil)*. No purchases were made *(2023: £Nil)* with a creditor balance at the period end of £Nil *(2023: £Nil)*.

From The Heico Companies LLC, ultimate parent company, no recharges were received or purchases made *(2023: £Nil)* with a creditor balance at the period end of £2,957,750 *(2023: £2,738,742)*. Interest expense for the period ended December 2024 totalled £406,884. No sales were made *(2023: £Nil)* with £Nil debtor balance at the period end *(2023: £Nil)*.

From Heico Holdings, Inc, a company with a preferred interest in The Heico Companies LLC recharges were received of £244,432 and no sales were made *(2023: £Nil)* with £Nil debtor balance at the period end *(2023: £Nil)*. Purchases were made of £523,817 *(2023: £533,831)* with a creditor balance at the period end of £11,108,779 *(2023: £9,800,752)*. Interest expense for the period ended 2024 totalled £112,602.

To Ancra International LLC, affiliate company, recharges were received of £17,233 and £Nil sales were made *(2023: £Nil)* with £Nil debtor balance at the period end *(2023: £Nil)*. No purchases were made in the period *(2023: £Nil)* with a creditor balance at the period end of £1,124,655 *(2023: £1,088,094)*.

To Wakefield Vette, affiliate company, recharges were made of £96,638 *(2023: £108,179)* with a debtor balance of £Nil at the period end *(2023: £Nil)*. No purchases were made in the period *(2023: £Nil)* with a creditor balance at the period end of £Nil *(2023: £Nil)*.

To Sarclad India Private Limited, affiliate company, no sales were made *(2023: £Nil)* with a debtor balance of £Nil at the period end *(2023: £Nil)*. No purchases were made in the period *(2023: £Nil)* with a creditor balance at the period end of £Nil *(2023: £Nil)*.

To Shred-Tech (UK) Limited, affiliate company, recharges were made of £30,039 *(2023: £31,782)* sales were made of £Nil *(2023: £Nil)* with a debtor balance of £Nil at the period end *(2023: £2,391)*. No purchases were made in the period *(2023: £Nil)* with a creditor balance at the period end of £Nil *(2023: £Nil)*.

29. Related party transactions (continued)

A creditor balance of £1,318,029 *(2023: debtor £35,023)* is held at the period end to Heico Netherlands Finance BV, an affiliate company, in relation to the European cash pooling arrangement in which Sarclad Limited began to participate during 2023.

The key management personnel during the year comprised the directors as disclosed per note 9.

The company has taken advantage of the exemption allowed under section 33 of FRS 102 'Related party disclosure' not to disclose transactions with other members that are wholly owned within the group.

30. Controlling party

Sarclad Limited's immediate parent company is Sarclad Acquisition LLC, a company incorporated in the USA.

Sarclad Limited's ultimate controlling party is The Heico Companies LLC, a company incorporated in the USA.

The largest group in which the results are consolidated is that headed by The Heico Companies LLC. The financial statements are available at 5600 Three First National Plaza, Chicago, IL 60602.

The smallest group in which the results are consolidated is that headed by Sarclad Acquisition LLC.