

ALTRON MANUFACTURING AND ENGINEERING LTD
GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2023

Bevan Buckland LLP
Ground Floor Cardigan House
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FOR THE YEAR ENDED 30 JUNE 2023**

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ALTRON MANUFACTURING AND ENGINEERING LTD

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2023**

DIRECTORS:	E Barraclough S R Jones
SECRETARY:	S R Jones
REGISTERED OFFICE:	Tower House Parc Hendre Capel Hendre Ammanford Carmarthenshire SA18 3SJ
REGISTERED NUMBER:	04177072 (England and Wales)
SENIOR STATUTORY AUDITOR:	Henry Lloyd-Davies
AUDITORS:	Bevan Buckland LLP Ground Floor Cardigan House Castle Court Swansea Enterprise Park Swansea SA7 9LA

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

The directors present their strategic report of the company and the group for the year ended 30 June 2023.

REVIEW OF BUSINESS

The principal activity of the group is the design, manufacture and supply of CCTV towers, columns and brackets. Other significant activities are laser cutting and sheet metal fabrication.

The economic and political climate continues to be challenging, resulting in volatility with steel and galvanizing prices, along with numerous other input cost increases and the effects of the significant increase in inflation. Energy cost increases were a particular feature of this period. Despite these the group has remained profitable and made efficiency improvements, whilst adding to the order book, and shipping to customer requirements.

The results for the year as set out on page 8, show a profit on ordinary activities before tax of £285,354 (2022: £119,998). The shareholders' funds of the group total £5,001,980 (2022: £4,780,488).

The group will continue to focus on providing excellent customer service, developing its products and processes, whilst remaining profitable through the continuing global economic challenges. It will also focus on taking opportunities on the near-horizon that are opening up through product development, gaining approvals and certifications and business development.

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks to the business at present are the national and global economic uncertainties.

Energy cost increases had an impact during the year, and while fixed contracts at lower rates have been secured for the next period, there is uncertainty for subsequent periods

While material prices have softened, there is the ongoing threat of future volatility. Exchange rate effects on purchases, including galvanizing (based on zinc priced in dollars) are not within our control.

KEY FINANCIAL PERFORMANCE INDICATORS

The group's main key performance indicators are as follows :-

	2023	2022
Gross profit	£2,354,418	£2,044,839
Gross profit %	31.92%	29.26%
Profit before tax	£285,354	£119,998
Shareholders funds	£5,001,980	£4,780,488

ENVIRONMENTAL AND EMPLOYEE MATTERS

The group recycles as much waste as possible, including metals, paper and cardboard, minimising the amount of general waste.

Investments have been made and further investments are planned, to significantly reduce energy consumption.

The group meets regularly with employees and is an equal opportunities employer, many employees have had opportunities for progression.

ON BEHALF OF THE BOARD:

S R Jones - Director

6 December 2023

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2023**

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2023.

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2023.

RESEARCH AND DEVELOPMENT

The group continues to invest in research and development to ensure it remains competitive and develops the most relevant products to ensure future success.

FUTURE DEVELOPMENTS

The group continues to ensure it is well placed to benefit from future opportunities as they arise.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2022 to the date of this report.

E Barraclough
S R Jones

FINANCIAL INSTRUMENTS

The group's financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors, finance leasing, and hire purchase agreements. The main purpose of these instruments is to raise funds for the group's operations and to finance to the group's operations.

Due to the nature of the financial instruments used by the group there is no exposure risk. The group's approach to managing other risks applicable to the financial statements is shown below.

In respect of bank balances, the liquidity risk is managed by maintaining a substantial amount of liquid funds to meet foreseeable payments as they fall due without recourse to borrowing for working capital.

Trade debtors are managed in respect of credit and cash flow risks by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity is managed by ensuring sufficient funds are available to meet amounts due.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group'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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2023**

AUDITORS

The auditors, Bevan Buckland LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

S R Jones - Director

6 December 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ALTRON MANUFACTURING AND ENGINEERING LTD

Opinion

We have audited the financial statements of Altron Manufacturing And Engineering Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2023 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 affairs as at 30 June 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 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 directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ALTRON MANUFACTURING AND ENGINEERING LTD

Responsibilities of directors

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

Auditors' responsibilities for the audit of the financial statements

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management, including obtaining and reviewing support documentation, concerning the company's policies and procedures relating to:
 - identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud.
- obtaining an understanding of the legal and regulatory frameworks that the company operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the company. The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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 Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ALTRON MANUFACTURING AND ENGINEERING LTD**

Use of our report

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

Henry Lloyd-Davies (Senior Statutory Auditor)
for and on behalf of Bevan Buckland LLP
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

6 December 2023

**CONSOLIDATED
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 £	2022 £
TURNOVER	4	7,374,850	6,987,619
Cost of sales		<u>5,020,432</u>	<u>4,942,780</u>
GROSS PROFIT		2,354,418	2,044,839
Administrative expenses		<u>2,129,206</u>	<u>1,932,169</u>
		225,212	112,670
Other operating income	5	<u>-</u>	<u>1,523</u>
OPERATING PROFIT	7	225,212	114,193
Interest receivable and similar income		<u>60,142</u>	<u>5,805</u>
PROFIT BEFORE TAXATION		285,354	119,998
Tax on profit	8	<u>63,862</u>	<u>23,529</u>
PROFIT FOR THE FINANCIAL YEAR		<u>221,492</u>	<u>96,469</u>
Profit attributable to:			
Owners of the parent		<u>221,492</u>	<u>96,469</u>

The notes form part of these financial statements

**CONSOLIDATED
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 £	2022 £
PROFIT FOR THE YEAR		221,492	96,469
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>221,492</u>	<u>96,469</u>
Total comprehensive income attributable to: Owners of the parent		<u>221,492</u>	<u>96,469</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
30 JUNE 2023

	Notes	2023 £	£	2022 £	£
FIXED ASSETS					
Tangible assets	11		1,741,573		1,785,275
Investments	12		<u>-</u>		<u>-</u>
			1,741,573		1,785,275
CURRENT ASSETS					
Stocks	13	1,133,810		1,024,653	
Debtors	14	1,373,679		1,401,844	
Cash at bank and in hand		<u>2,269,868</u>		<u>1,993,928</u>	
		4,777,357		4,420,425	
CREDITORS					
Amounts falling due within one year	15	<u>1,392,220</u>		<u>1,290,732</u>	
NET CURRENT ASSETS			<u>3,385,137</u>		<u>3,129,693</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,126,710		4,914,968
PROVISIONS FOR LIABILITIES	16		<u>124,730</u>		<u>134,480</u>
NET ASSETS			<u>5,001,980</u>		<u>4,780,488</u>
CAPITAL AND RESERVES					
Called up share capital	17		2,764		2,764
Capital redemption reserve	18		5,000		5,000
Retained earnings	18		<u>4,994,216</u>		<u>4,772,724</u>
SHAREHOLDERS' FUNDS			<u>5,001,980</u>		<u>4,780,488</u>

The financial statements were approved by the Board of Directors and authorised for issue on 6 December 2023 and were signed on its behalf by:

E Barraclough - Director

COMPANY BALANCE SHEET
30 JUNE 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	11	-	-
Investments	12	<u>74,025</u>	<u>74,025</u>
		<u>74,025</u>	<u>74,025</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>74,025</u>	<u>74,025</u>
CAPITAL AND RESERVES			
Called up share capital	17	2,764	2,764
Capital redemption reserve	18	5,000	5,000
Retained earnings	18	<u>66,261</u>	<u>66,261</u>
SHAREHOLDERS' FUNDS		<u>74,025</u>	<u>74,025</u>
Company's profit for the financial year		<u>-</u>	<u>76,348</u>

The financial statements were approved by the Board of Directors and authorised for issue on 6 December 2023 and were signed on its behalf by:

E Barraclough - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 July 2021	2,764	4,752,603	5,000	4,760,367
Changes in equity				
Dividends	-	(76,348)	-	(76,348)
Total comprehensive income	-	96,469	-	96,469
Balance at 30 June 2022	<u>2,764</u>	<u>4,772,724</u>	<u>5,000</u>	<u>4,780,488</u>
Changes in equity				
Total comprehensive income	-	221,492	-	221,492
Balance at 30 June 2023	<u>2,764</u>	<u>4,994,216</u>	<u>5,000</u>	<u>5,001,980</u>

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 July 2021	2,764	66,261	5,000	74,025
Changes in equity				
Dividends	-	(76,348)	-	(76,348)
Total comprehensive income	-	76,348	-	76,348
Balance at 30 June 2022	<u>2,764</u>	<u>66,261</u>	<u>5,000</u>	<u>74,025</u>
Changes in equity				
Balance at 30 June 2023	<u>2,764</u>	<u>66,261</u>	<u>5,000</u>	<u>74,025</u>

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	333,950	532,899
Tax paid		-	(83,337)
Net cash from operating activities		<u>333,950</u>	<u>449,562</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(200,807)	(304,676)
Sale of tangible fixed assets		82,655	17,849
Interest received		<u>60,142</u>	<u>5,805</u>
Net cash from investing activities		<u>(58,010)</u>	<u>(281,022)</u>
Cash flows from financing activities			
Equity dividends paid		-	(76,348)
Net cash from financing activities		<u>-</u>	<u>(76,348)</u>
Increase in cash and cash equivalents		<u>275,940</u>	<u>92,192</u>
Cash and cash equivalents at beginning of year	2	1,993,928	1,901,736
Cash and cash equivalents at end of year	2	<u><u>2,269,868</u></u>	<u><u>1,993,928</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2023	2022
	£	£
Profit before taxation	285,354	119,998
Depreciation charges	187,861	206,971
Profit on disposal of fixed assets	(26,007)	(4,042)
Finance income	(60,142)	(5,805)
	<u>387,066</u>	<u>317,122</u>
(Increase)/decrease in stocks	(109,157)	66,453
Decrease in trade and other debtors	28,165	265,106
Increase/(decrease) in trade and other creditors	27,876	(115,782)
Cash generated from operations	<u><u>333,950</u></u>	<u><u>532,899</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2023

	30.6.23	1.7.22
	£	£
Cash and cash equivalents	<u>2,269,868</u>	<u>1,993,928</u>

Year ended 30 June 2022

	30.6.22	1.7.21
	£	£
Cash and cash equivalents	<u>1,993,928</u>	<u>1,901,736</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.7.22	Cash flow	At 30.6.23
	£	£	£
Net cash			
Cash at bank and in hand	<u>1,993,928</u>	<u>275,940</u>	<u>2,269,868</u>
	<u>1,993,928</u>	<u>275,940</u>	<u>2,269,868</u>
Total	<u><u>1,993,928</u></u>	<u><u>275,940</u></u>	<u><u>2,269,868</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1. **STATUTORY INFORMATION**

Altron Manufacturing And Engineering Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements are prepared in sterling, which is the functional currency of the entity.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and value added tax and other sales taxes.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Tangible fixed assets

Tangible assets are initially recorded at cost, and is subsequently stated at cost less any 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 company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit and loss during the period in which they are incurred.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property - 2% straight line

Plant and machinery - 12.5 and 20% straight line

Fittings, fixtures and equipment - 12.5 and 20% straight line

Motor vehicles - 25% reducing balance

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Stocks

Stocks are measured at the lower of the cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition on a first in, first out basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023

2. ACCOUNTING POLICIES - continued

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year) including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivable, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid and received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

For financial assets measure at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of the estimated cash flows discounted at the asset's effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were sold at the balance sheet date.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Research and development

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

Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- There is the intention to complete the intangible asset and use or sell it;
- There is the ability to use or sell the intangible asset;
- The use or sale of the intangible asset will generate probable future economic benefits;
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Expenditure that does not meet the above criteria is expensed as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023

2. ACCOUNTING POLICIES - continued**Foreign currencies**

Foreign currency translations are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

Pension costs and other post-retirement benefits

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

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Defined contribution plans

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

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the company's accounting policies, which are described below, management has made some judgements that have an effect on the amounts recognised in the financial statements. There are also key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date. These main areas are in relation to stock, debtor provisions and the useful economic lives of the company's fixed assets, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. TURNOVER

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

An analysis of turnover by geographical market is given below:

	2023	2022
	£	£
United Kingdom	6,678,666	6,248,709
Europe	172,728	294,237
Rest of the World	523,456	444,673
	<u>7,374,850</u>	<u>6,987,619</u>

5. OTHER OPERATING INCOME

	2023	2022
	£	£
Government grants	<u>-</u>	<u>1,523</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023

6. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	2,472,406	2,378,151
Social security costs	27,265	24,971
Other pension costs	40,188	37,447
	<u>2,539,859</u>	<u>2,440,569</u>

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

	2023	2022
Production staff	49	48
Marketing & distribution staff	18	16
Administration staff	11	12
	<u>78</u>	<u>76</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 78 (2022 - 76) .

	2023	2022
	£	£
Directors' remuneration	201,910	194,696
Directors' pension contributions to money purchase schemes	<u>16,074</u>	<u>17,120</u>

Information regarding the highest paid director for the year ended 30 June 2023 is as follows:

	2023
	£
Emoluments etc	<u>106,612</u>

7. OPERATING PROFIT

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

	2023	2022
	£	£
Depreciation - owned assets	187,861	206,971
Profit on disposal of fixed assets	(26,007)	(4,042)
Auditors' remuneration	13,170	9,180
Auditors' remuneration for non audit work	<u>1,500</u>	<u>3,691</u>

8. TAXATION**Analysis of the tax charge**

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

	2023	2022
	£	£
Current tax:		
UK corporation tax	73,612	(3,158)
Deferred tax	(9,750)	26,687
Tax on profit	<u>63,862</u>	<u>23,529</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023

8. TAXATION - continued**Reconciliation of total tax charge included in profit and loss**

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

	2023 £	2022 £
Profit before tax	<u>285,354</u>	<u>119,998</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20.500 % (2022 - 19 %)	58,498	22,800
Effects of:		
Expenses not deductible for tax purposes	(4,628)	-
Depreciation in excess of capital allowances	7,199	729
Rate changes	<u>2,793</u>	<u>-</u>
Total tax charge	<u>63,862</u>	<u>23,529</u>

From 6th April 2023 the rate of corporation tax increased to 25% from 19%.

9. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

10. DIVIDENDS

	2023 £	2022 £
Ordinary A shares of 1 each		
Interim	<u>-</u>	<u>76,348</u>

11. TANGIBLE FIXED ASSETS**Group**

	Freehold property £	Plant and Machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 July 2022	1,791,046	1,943,021	244,640	793,409	4,772,116
Additions	-	68,986	1,177	130,644	200,807
Disposals	-	-	-	(210,468)	(210,468)
At 30 June 2023	<u>1,791,046</u>	<u>2,012,007</u>	<u>245,817</u>	<u>713,585</u>	<u>4,762,455</u>
DEPRECIATION					
At 1 July 2022	609,724	1,768,190	184,315	424,612	2,986,841
Charge for year	30,871	44,108	16,350	96,532	187,861
Eliminated on disposal	-	-	-	(153,820)	(153,820)
At 30 June 2023	<u>640,595</u>	<u>1,812,298</u>	<u>200,665</u>	<u>367,324</u>	<u>3,020,882</u>
NET BOOK VALUE					
At 30 June 2023	<u>1,150,451</u>	<u>199,709</u>	<u>45,152</u>	<u>346,261</u>	<u>1,741,573</u>
At 30 June 2022	<u>1,181,322</u>	<u>174,831</u>	<u>60,325</u>	<u>368,797</u>	<u>1,785,275</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023

12. FIXED ASSET INVESTMENTS**Company**

Shares in
group
undertakings
£

COST

At 1 July 2022
and 30 June 2023

74,025

NET BOOK VALUE

At 30 June 2023
At 30 June 2022

74,025

74,025

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary**Altron Communications Equipment Limited**

Registered office: Tower House, Parc Hendre, Capel Hendre, Ammanford, Carmarthenshire, SA18 3SJ.

Nature of business: Design, manufacture and supply of CCTV towers.

	%		
Class of shares:	holding		
Ordinary	100.00		
		2023	2022
		£	£
Aggregate capital and reserves		5,001,980	4,780,488
Profit for the year		<u>221,492</u>	<u>96,469</u>

13. STOCKS**Group**

	2023	2022
	£	£
Raw materials	601,349	651,846
Finished goods	<u>532,461</u>	<u>372,807</u>
	<u>1,133,810</u>	<u>1,024,653</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**Group**

	2023	2022
	£	£
Trade debtors	1,255,896	1,274,354
Other debtors	2,400	2,400
Tax	5,646	5,646
Prepayments and accrued income	<u>109,737</u>	<u>119,444</u>
	<u>1,373,679</u>	<u>1,401,844</u>

Short term debtors are measured at transaction price, less any impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2023	2022
	£	£
Trade creditors	750,296	832,188
Tax	73,612	-
Social security and other taxes	67,273	60,109
VAT	126,797	104,506
Other creditors	9,429	7,987
Accruals and deferred income	364,813	285,942
	<u>1,392,220</u>	<u>1,290,732</u>

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

16. PROVISIONS FOR LIABILITIES

	Group	
	2023	2022
	£	£
Deferred tax		
Accelerated capital allowances	125,756	135,293
Other timing differences	(1,026)	(813)
	<u>124,730</u>	<u>134,480</u>

Group

	Deferred tax
	£
Balance at 1 July 2022	134,480
Credit to Income Statement during year	(9,750)
Balance at 30 June 2023	<u>124,730</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023	2022
			£	£
2,500	Ordinary A	1	2,500	2,500
264	Ordinary D	1	264	264
			<u>2,764</u>	<u>2,764</u>

18. RESERVES**Group**

	Retained earnings	Capital redemption reserve	Totals
	£	£	£
At 1 July 2022	4,772,724	5,000	4,777,724
Profit for the year	221,492		221,492
At 30 June 2023	<u>4,994,216</u>	<u>5,000</u>	<u>4,999,216</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023

18. RESERVES - continued**Company**

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 July 2022	66,261	5,000	71,261
Profit for the year	-	-	-
At 30 June 2023	<u>66,261</u>	<u>5,000</u>	<u>71,261</u>

19. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is E Barraclough.

The directors consider that the ultimate controlling party is Mr E Barraclough (a director of Altron Manufacturing and Engineering Limited and a director of Altron Communications Equipment Limited) by virtue of holding the majority of the shares in the parent company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.