

Registration number: 00533277

MCBRAIDA PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

MCBRAIDA PLC

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MCBRAIDA PLC

Company Information

Directors	K M McBraida I J McBraida M P McBraida
Company secretary	K M McBraida
Registered office	Bridgegate Engineering Works Bridgegate Warmley Bristol BS30 5JW
Bankers	HSBC Bank Plc 76 Regent Street Kingswood Bristol BS15 8LH
Auditors	Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX

MCBRAIDA PLC

Strategic Report for the Year Ended 30 June 2024

The directors present their strategic report for the year ended 30 June 2024.

Principal activity

The principal activity of the company is precision engineering for high technology industries.

Fair review of the business

The results for the year, which are set out in the profit and loss account, show turnover of £25.378m (2023 - £19.708m) and an operating profit of £2.981m (2023 - £2.561m). At 30 June 2024, the company had net assets of £18.472m (2023 - £16.114m). The directors are satisfied with the performance of the company during the year and the results it has achieved.

The results this year reflect the continued impact of Covid-19 on the aerospace industry and the ongoing disruptions to supply chains and cost increases. While the aerospace industry is recovering, demand is returning to the sector, yet it is still facing these challenges. The fast and effective actions that the Directors took, including aggressive cost reductions, have been crucial in navigating these conditions.

Strategic actions to diversify the customer and product base, though still primarily within the aerospace sector, have continued and help to spread risk. The Company has maintained strong relationships with its principal customers and continues to provide an excellent level of service. Further investments in production facilities, processes, and staff will ensure flexibility as the industry continues to recover from extraordinary changes.

Future developments

While the aerospace industry continues to recover from disruptions to supply, shortages of skilled labour, and inflationary pressures, the Company remains robust with good management and financial resilience. The Directors are confident that the Company is well-placed to deliver excellent service, invest in its facilities and staff, and capitalise on opportunities in existing markets. Current industry predictions suggest that the impact will persist into 2024 and 2025. Prudent financial management has enabled the Company to remain stable over this extended period.

Financial key performance indicators

The Company uses several key financial and other performance indicators. Turnover and gross profit margins are the main financial measures the Directors use to judge the Company's performance.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company concern changes in the aerospace industry due to prevailing economic circumstances and their impact on demand for the Company's products. This has been highlighted by the decline in airline passenger numbers and the demand for aerospace components during the pandemic. However, the mothballing of old aircraft and the availability of new, more cost-effective, and environmentally friendly aircraft are positive signs for the industry's long-term prospects. Difficult trading conditions often present opportunities for businesses with the reserves to emerge in good financial health, like McBrida. The risks are mitigated by continued significant investment in production facilities and staff to support customers and maintain performance relative to competitors in the industry.

MCBRAIDA PLC

Strategic Report for the Year Ended 30 June 2024

Financial instruments

A commentary on the financial instruments held by the company and the company's exposure to price, credit, interest rate and liquidity risk is provided in note 16 to the financial statements.

Research and development

The company undertakes research and development activities primarily in relation to its involvement in the high technology industry in which it is engaged to ensure it maintains its competitive position.

Going concern

In accordance with Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2006' the directors of all companies are now required to provide disclosures regarding the adoption of the going concern basis of accounting.

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Approved by the Board on 18 December 2024 and signed on its behalf by:

I J McBraida
Director

MCBRAIDA PLC

Directors' Report for the Year Ended 30 June 2024

The directors present their report and the financial statements for the year ended 30 June 2024.

Directors of the company

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

K M McBraida - Company secretary and director

I J McBraida

M P McBraida

Dividends

No dividends were paid in the year (2023 - £2m).

Political and charitable contributions

During the year the company made charitable donations totalling £300,000 (2023 - £375,000) to a charity supporting humanitarian causes.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Hazlewoods LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 18 December 2024 and signed on its behalf by:

I J McBraida
Director

MCBRAIDA PLC

Statement of Directors' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

MCBRAIDA PLC

Independent Auditor's Report to the Members of McBraida Plc

Opinion

We have audited the financial statements of McBraida Plc (the 'company') for the year ended 30 June 2024, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

MCBRAIDA PLC

Independent Auditor's Report to the Members of McBraida Plc

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including the UK Companies Act and tax legislation, and, those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

MCBRAIDA PLC

Independent Auditor's Report to the Members of McBraida Plc

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgments made in accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this 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.

Scott Lawrence (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor
Staverton Court
Staverton
Cheltenham
GL51 0UX

18 December 2024

MCBRAIDA PLC

Profit and Loss Account for the Year Ended 30 June 2024

	Note	2024 £ 000	2023 £ 000
Turnover	<u>3</u>	25,378	19,708
Cost of sales		<u>(21,214)</u>	<u>(16,013)</u>
Gross profit		4,164	3,695
Distribution costs		(131)	(187)
Administrative expenses		(1,052)	(947)
Exceptional items		<u>-</u>	<u>-</u>
Operating profit	<u>4</u>	2,981	2,561
Interest receivable and similar income		<u>275</u>	<u>95</u>
Profit before tax		3,256	2,656
Taxation	<u>8</u>	<u>(898)</u>	<u>(529)</u>
Profit for the financial year		<u><u>2,358</u></u>	<u><u>2,127</u></u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the year.

MCBRAIDA PLC**(Registration number: 00533277)
Balance Sheet as at 30 June 2024**

	Note	2024 £ 000	2023 £ 000
Fixed assets			
Tangible assets	<u>10</u>	1,161	1,402
Current assets			
Stocks	<u>11</u>	3,477	3,874
Debtors	<u>12</u>	10,743	6,587
Investments	<u>13</u>	6,279	6,163
Cash at bank and in hand		3,881	4,645
		<u>24,380</u>	<u>21,269</u>
Creditors: Amounts falling due within one year	<u>14</u>	<u>(7,148)</u>	<u>(6,578)</u>
Net current assets		<u>17,232</u>	<u>14,691</u>
Total assets less current liabilities		18,393	16,093
Deferred tax	<u>8</u>	79	21
Net assets		<u>18,472</u>	<u>16,114</u>
Capital and reserves			
Called up share capital	<u>16</u>	50	50
Profit and loss account		<u>18,422</u>	<u>16,064</u>
Total equity		<u>18,472</u>	<u>16,114</u>

Approved and authorised by the Board on 18 December 2024 and signed on its behalf by:

I J McBraida
DirectorThe notes on pages 12 to 22 form an integral part of these financial statements.

MCBRAIDA PLC**Statement of Changes in Equity for the Year Ended 30 June 2024**

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 July 2022	50	15,937	15,987
Profit for the year	-	2,127	2,127
Dividends	-	(2,000)	(2,000)
At 30 June 2023	<u>50</u>	<u>16,064</u>	<u>16,114</u>

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 July 2023	50	16,064	16,114
Profit for the year	-	2,358	2,358
At 30 June 2024	<u>50</u>	<u>18,422</u>	<u>18,472</u>

The notes on pages 12 to 22 form an integral part of these financial statements.

MCBRAIDA PLC

Notes to the Financial Statements for the Year Ended 30 June 2024

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
Bridgegate Engineering Works
Bridgegate
Warmley
Bristol
BS30 5JW

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Summary of disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows and paragraph 3.17(d);
- the requirements of 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 paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

Name of parent of group

These financial statements are consolidated in the financial statements of McBraida Holdings Limited.

The financial statements of McBraida Holdings Limited may be obtained from the company's registered office.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 Accounting policies (continued)

Judgements

Valuation of stocks, and measurement of provision for impairment (see note 12)

The cost of work in progress and finished goods includes labour and attributable overheads. These estimates are based on factors that include the labour time spent bringing those stocks into their current location and condition, and an estimate of the overhead costs incurred during that period. Judgement is also required regarding the classification of labour and overhead costs between those that are attributable to production activity, and those that are non-production costs.

At each reporting date, stocks are assessed for impairment. The carrying values of stocks are compared to their net realisable values, being the estimated sales price less costs to complete and sell. This requires judgements regarding the expected future usage and/or sale of individual stock lines.

Key sources of estimation uncertainty

Tangible fixed assets (see note 11)

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Investments (see note 15)

In relation to the determination of carrying value of investments at fair value through the statement of comprehensive income, the company applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of each investment drives the valuation methodology.

Unquoted investments are valued using a price/earnings multiple methodology. The relevant price/earnings multiple is determined by reference to those applying to quoted companies. This multiple is then applied to the earnings of the investee company in the year, after adjustments for one-off unusual income or expenditure in the year.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Notes to the Financial Statements for the Year Ended 30 June 2024

2 Accounting policies (continued)

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Asset class	Amortisation method and rate
Patents	20% straight line

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	8.33% straight line
Plant & machinery	15-23% reducing balance
Motor vehicles	25% reducing balance
Fixtures & fittings	20% reducing balance
Computer equipment	33.33% straight line
Short life plant & ancillary equipment	20% straight line

Current asset investments

Current asset investments comprise cash on deposit and cash equivalents with a maturity of less than one year, which are available only on more than 24 hours notice. Such investments qualify as 'basic' financial instruments and are valued at the amount receivable.

Interest on cash deposits and cash equivalents is recognised when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

2 Accounting policies (continued)

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

MCBRAIDA PLC

Notes to the Financial Statements for the Year Ended 30 June 2024

3 Revenue

The analysis of the company's turnover for the year from continuing operations is as follows:

	2024 £ 000	2023 £ 000
Rendering of services	25,378	19,708

The analysis of the company's turnover for the year by market is as follows:

	2024 £ 000	2023 £ 000
UK	20,689	15,458
Europe	2,429	2,436
Rest of world	2,260	1,814
	25,378	19,708

Profit before taxation and net assets are attributable to one class of business.

4 Operating profit

Arrived at after charging/(crediting):

	2024 £ 000	2023 £ 000
Depreciation expense	336	398
Foreign exchange (gains)/losses	(13)	9
Operating lease expense - property	175	175

5 Auditors' remuneration

	2024 £ 000	2023 £ 000
Audit of the financial statements	39	37
Other fees to auditors		
All other non-audit services	76	41

MCBRAIDA PLC

Notes to the Financial Statements for the Year Ended 30 June 2024

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2024	2023
	£ 000	£ 000
Wages and salaries	5,487	4,835
Social security costs	532	443
Pension costs, defined contribution scheme	268	323
	<u>6,287</u>	<u>5,601</u>

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

	2024	2023
	No.	No.
Factory	130	106
Sales and administration	14	16
	<u>144</u>	<u>122</u>

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2024	2023
	£ 000	£ 000
Remuneration	398	313
Contributions paid to money purchase schemes	-	60
	<u>398</u>	<u>373</u>

During the current and prior year no directors received benefits or share incentives.

In respect of the highest paid director:

	2024	2023
	£ 000	£ 000
Remuneration	<u>248</u>	<u>216</u>

MCBRAIDA PLC**Notes to the Financial Statements for the Year Ended 30 June 2024****8 Taxation**

Tax charged/(credited) in the profit and loss account

	2024 £ 000	2023 £ 000
Current taxation		
UK corporation tax	893	598
UK corporation tax adjustment to prior periods	63	(94)
	<u>956</u>	<u>504</u>
Deferred taxation		
Arising from origination and reversal of timing differences	40	60
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	(98)	(35)
Total deferred taxation	<u>(58)</u>	<u>25</u>
Tax expense in the income statement	<u>898</u>	<u>529</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2023 - lower than the standard rate of corporation tax in the UK) of 25% (2023 - 20.5%).

The differences are reconciled below:

	2024 £ 000	2023 £ 000
Profit before tax	<u>3,256</u>	<u>2,656</u>
Corporation tax at standard rate	814	544
Effect of expense not deductible in determining taxable profit (tax loss)	51	19
Deferred tax (credit)/expense relating to changes in tax rates or laws	(58)	25
Increase/(decrease) in UK and foreign current tax from adjustment for prior periods	63	(94)
Tax increase from effect of capital allowances and depreciation	28	35
Total tax charge	<u>898</u>	<u>529</u>

9 Dividends

	2024 £ 000	2023 £ 000
Dividends paid	<u>-</u>	<u>2,000</u>

MCBRAIDA PLC

Notes to the Financial Statements for the Year Ended 30 June 2024

10 Tangible assets

	Leasehold premises £ 000	Plant and machinery £ 000	Motor vehicles £ 000	Fixtures and fittings £ 000	Total £ 000
Cost					
At 1 July 2023	577	8,293	51	287	9,208
Additions	-	64	31	-	95
At 30 June 2024	<u>577</u>	<u>8,357</u>	<u>82</u>	<u>287</u>	<u>9,303</u>
Depreciation					
At 1 July 2023	574	6,935	45	252	7,806
Charge for the year	1	311	9	15	336
At 30 June 2024	<u>575</u>	<u>7,246</u>	<u>54</u>	<u>267</u>	<u>8,142</u>
Carrying amount					
At 30 June 2024	<u>2</u>	<u>1,111</u>	<u>28</u>	<u>20</u>	<u>1,161</u>
At 30 June 2023	<u>3</u>	<u>1,358</u>	<u>6</u>	<u>35</u>	<u>1,402</u>

11 Stocks

	2024 £ 000	2023 £ 000
Raw materials and work in progress	3,150	2,724
Finished goods	327	1,150
	<u>3,477</u>	<u>3,874</u>

12 Debtors

	Note	2024 £ 000	2023 £ 000
Trade debtors		7,933	3,966
Amounts owed by related parties		2,663	2,381
Other debtors		30	29
Prepayments		117	97
Corporation tax asset	<u>8</u>	-	114
Total current trade and other debtors		<u>10,743</u>	<u>6,587</u>

13 Current asset investments

	2024 £ 000	2023 £ 000
Unlisted investments	23	23
Short term liquid investments	6,256	6,140
	<u>6,279</u>	<u>6,163</u>

MCBRAIDA PLC

Notes to the Financial Statements for the Year Ended 30 June 2024

14 Creditors

	2024 £ 000	2023 £ 000
Due within one year		
Loans and borrowings	1,653	2,361
Trade creditors	1,822	1,819
Social security and other taxes	835	130
Outstanding defined contribution pension costs	136	52
Other creditors	492	227
Accrued expenses	1,368	1,989
Corporation tax liability	842	-
	<u>7,148</u>	<u>6,578</u>

15 Financial instruments

Categorisation of financial instruments

	2024 £ 000	2023 £ 000
Financial assets that are debt instruments measured at amortised cost	20,786	17,184
Financial liabilities measured at amortised cost	6,313	6,448

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, government grants received and other creditors.

The company faces price risk, credit risk, interest rate risk and liquidity risk as a result of its financial assets and liabilities. There is no significant currency risk, being the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Price risk

Price risk is the risk that an entity will suffer a financial loss through the fall in the price of an asset. The company is exposed to equity security price risk because of equity investments held by the company that are included as fixed asset investments on the statement of financial position. The company seeks to manage the price risk by having a diverse portfolio of investments held for the long term and investing in a number of different sectors.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The company faces credit risk as a result of offering credit terms to its customers and holding cash and cash equivalents with financial institutions. The company seeks to mitigate the risk that arises from offering credit terms by performing credit checks before terms are advanced and thereafter actively monitoring amounts receivable and denying additional credit when appropriate. The company's maximum exposure to credit risk is equal to the value of trade debtors, other debtors, prepayments and accrued income and cash and cash equivalents.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company faces interest rate risk through holding cash and cash equivalents with financial institutions.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The company's financial liabilities include its trade creditors, other creditors and accruals.

MCBRAIDA PLC

Notes to the Financial Statements for the Year Ended 30 June 2024

15 Financial instruments (continued)

Sensitivity analysis

No sensitivity analysis has been disclosed as there would not be a material impact on the profit and loss account from a change in either equity prices or interest rates.

Fair values

The carrying amount of short term trade debtors and trade creditors is considered to be a reasonable approximation of their fair value.

16 Share capital

Allotted, called up and fully paid shares

	2024		2023	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	50	50	50	50

17 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £268,000 (2023 - £323,000).

Contributions totalling £136,000 (2023 - £52,000) were payable to the scheme at the end of the year and are included in creditors.

18 Related party transactions

Summary of transactions with key management

Key management personnel are considered to be the directors of the company and key management personnel compensation is disclosed in note 7 to the financial statements.

Summary of transactions with Directors

During the year, rent totalling £175k (2023: £175k) has been charged to the Company by M P McBraida, a directors, in respect of the land and factory owned by MP McBraida from which the Company operates.

Included in loans and borrowings is an amount owed to the Directors of £1,653k (2023: £2,361k).

Summary of transactions with other related parties

During the year the Company made donations to the MPM Charitable Trust of £300k (2023 - £375k), a trust of which some of the Trustees are also Directors of the Company.

19 Parent and ultimate parent undertaking

The company is controlled by its directors. The company's immediate and ultimate parent undertaking is McBraida Holdings Limited which is also controlled by its directors Michael and Ian McBraida and is majority owned by them. The consolidated accounts of McBraida Holdings Limited represent the largest and smallest group into which the results of the company are consolidated. These financial statements are available upon request from McBraida plc, Bridgegate, Warmley, Bristol, BS30 5JW.

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