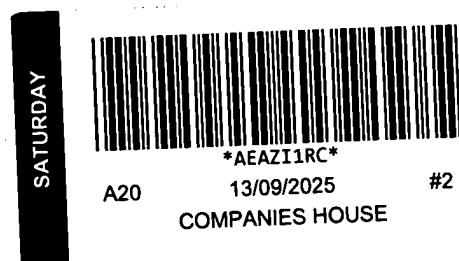


Addfield Environmental Systems Limited

Annual report and financial statements

For the year ended 31 December 2024

Registered number: 06516522



Addfield Environmental Systems Limited

Company Information

Directors	D Carr A G D Esse J E Grant C J A Penney
Registered number	06516522
Registered office	Unit 9 Zone 4 Burntwood Business Park Burntwood Staffordshire WS7 3XD
Independent auditors	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL

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Strategic report

For the year ended 31 December 2024

Introduction

Addfield specialises in the design and manufacture of incinerators and cremators. The company is committed to delivering the most robust, reliable and thermally efficient solutions to address global waste and cremation issues.

All the equipment is manufactured in the UK and exported to over 150 countries worldwide. Our products and services are delivered primarily through our UK sales teams but also in partnership with our international distributors and agents.

Market review

Global developments, including biosecurity risks and improved medical infrastructure in developing countries, created new opportunities for growth, allowing us to expand our international presence and strengthen partnerships with our global network. Demand for waste solutions continues to grow both in the UK and in developing markets where disposal of medical and hazardous waste is increasingly recognised as an important problem.

There is also significant interest in pet cremation in the UK and overseas which is opening new markets for the company.

Business review

To support business growth and operational demands, in 2024 we invested significantly in our factory compound, increasing storage capacity, reducing double handling and streamlining manufacturing processes. These improvements have shortened production times and set a strong foundation for further upgrades planned in 2025.

In addition, to strengthen our credibility, we actively travel worldwide to showcase previous installations and operational machines, building trust with potential clients. We also actively seek client feedback, using it to continuously enhance our systems, products, and services.

The directors monitor a number of key performance indicators including turnover, gross margin and EBITDA.

Strategy and future developments

Our strategy to position Addfield as an industry leader is built on credibility, innovation and transparency. We showcase global case studies, maintain an open-door approach and actively engage with clients to build trust and demonstrate the reliability of our solutions.

Environmental sustainability remains central to our future development. We continue to educate customers on the environmental risk of landfill use, including greenhouse gas emissions, leachate contamination and the mishandling of hazardous waste. To address these concerns, we are investing into sustainable combustion alternatives such as HVO, Biogas and Hybrid machines. Our ongoing focus on refractory material development has enabled us to offer machines that are up to 40% more fuel-efficient.

As our global footprint expands, so does the need for robust international support. We are strengthening our network of distributors to provide multilingual assistance and better navigate local barriers. Comprehensive training has been delivered in the UK, on-site overseas and online to ensure consistent knowledge and service quality worldwide.

Strategic report (continued)

For the year ended 31 December 2024

Principal risks and uncertainties

Addfield faces several external risks that could impact operations. These include ongoing uncertainty around global tariffs and the recent pause in US government international aid funding, which may delay the awarding of international contracts and tenders. International conflict and travel restrictions continue to be an issue with many aid missions. To mitigate these challenges, we are strengthening partnerships with in-country organisations capable of delivering high-quality service and technical expertise supported by Addfield.


Currency fluctuations and pricing volatility make it difficult to offer long-term pricing guarantees, especially in international markets. In response, we are continuously reviewing internal processes and supplier relationships to improve efficiency and maintain global competitiveness.

In the UK, the shortage of skilled labour remains a concern. To address this, Addfield have invested in international sponsorship routes to attract qualified talent and ensure the continuity of our specialised workforce.

Environmental compliance also presents both opportunity and risk. Addfield continues to align with the UK governments target of Net Zero by 2035, which drives innovation but also increases operational costs due to strict auditing processes and sustainability requirements. If other countries choose not to adopt similar targets, it could mean UK-manufactured products may face pricing disadvantages in global markets.

Despite these challenges, the board remains focused on managing risk whilst pursuing strategic growth. With a commitment to quality, service, and innovation, we are confident in our ability to navigate uncertainties and create new opportunities worldwide.

This report was approved by the board on 28 May 2025 and signed on its behalf by:


CJA Penney (May 28, 2025 14:46 GMT+1)
C J A Penney
Director

Directors' report

For the year ended 31 December 2024

The directors present their report and the financial statements of Addfield Environmental Systems Limited ('the Company') for the year ended 31 December 2024. The comparatives present information for the 15 month period ended 31 December 2023.

Results and dividends

The profit for the year, after taxation, amounted to £1,309,921 (2023 - £1,442,342).

The directors declared and paid dividends totalling £1,699,997 (2023 - £2,527,663).

Directors

The directors who served during the year were:

D Carr
A G D Esse
J E Grant
C J A Penney

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Going concern

The directors monitor market developments and the potential impact on the company on an ongoing basis and remain confident that the going concern basis of accounting remains appropriate and thus the accounts have been produced on this basis.

Directors' report (continued)

For the year ended 31 December 2024

Future developments

Our strategy to position Addfield as an industry leader is built on credibility, innovation and transparency. We showcase global case studies, maintain an open-door approach and actively engage with clients to build trust and demonstrate the reliability of our solutions.

Environmental sustainability remains central to our future development. We continue to educate customers on the environmental risk of landfill use, including greenhouse gas emissions, leachate contamination and the mishandling of hazardous waste. To address these concerns, we are investing into sustainable combustion alternatives such as HVO, Biogas and Hybrid machines. Our ongoing focus on refractory material development has enabled us to offer machines that are up to 40% more fuel-efficient.

As our global footprint expands, so does the need for robust international support. We are strengthening our network of distributors to provide multilingual assistance and better navigate local barriers. Comprehensive training has been delivered in the UK, on-site overseas and online to ensure consistent knowledge and service quality worldwide.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Buzzacott Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 May 2025 and signed on its behalf by:


CJA Penney (May 28, 2025 14:46 GMT+1)

C J A Penney
Director

Buzzacott

Independent auditors' report to the members of Addfield Environmental Systems Limited

For the year ended 31 December 2024

Opinion

We have audited the financial statements of Addfield Environmental Systems Limited (the 'Company') for the year ended 31 December 2024, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, 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 31 December 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Buzzacott

Independent auditors' report to the members of Addfield Environmental Systems Limited (continued)

For the year ended 31 December 2024

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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.

Matters on which we are required to report by exception

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

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

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

Independent auditors' report to the members of Addfield Environmental Systems Limited (continued)

For the year ended 31 December 2024

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the company through discussions with the directors and other management at the planning stage;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations; and
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company including the Companies Act 2006, employment legislation, the Health and Safety Act 1974 and taxation legislation.

We assessed the extent of compliance with the laws and regulations identified above through:

- making enquiries of management;
- reviewing legal expenditure throughout the period for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

Independent auditors' report to the members of Addfield Environmental Systems Limited (continued)

For the year ended 31 December 2024

Auditors' responsibilities for the audit of the financial statements (continued)

To address the risk of fraud through management bias and override of controls, we:

- determined the susceptibility of the company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process;
- reviewed journal entries throughout the period to identify unusual transactions;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior period;
- reviewed accounting estimates and evaluated where judgements or decisions made by management indicated bias on the part of the company's management;
- tested turnover by reviewing key contracts and the stage of completion; and
- carried out substantive testing of expenditure.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' report.

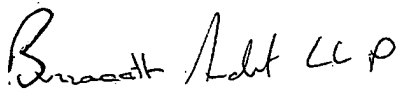
Buzzacott

Independent auditors' report to the members of Addfield Environmental Systems Limited (continued)

For the year ended 31 December 2024

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 Auditors' 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.



Philip Westerman (Senior statutory auditor)

for and on behalf of

Buzzacott Audit LLP

Statutory Auditor

130 Wood Street

London

EC2V 6DL

28 May 2025

Statement of comprehensive income

For the year ended 31 December 2024

		Year ended 31 December 2024	15 month period ended 31 December 2023
	Note	£	£
Turnover	4	13,129,582	15,419,331
Cost of sales		(9,232,933)	(11,138,878)
Gross profit		3,896,649	4,280,453
Administrative expenses		(2,387,179)	(2,791,622)
Other operating income	5	144,929	176,621
Operating profit		1,654,399	1,665,452
Interest payable and similar expenses	10	(4,347)	(12,826)
Profit before tax		1,650,052	1,652,626
Tax on profit	11	(340,131)	(210,284)
Profit for the financial year		1,309,921	1,442,342

All amounts relate to continuing operations.

There was no other comprehensive income for the year ended 31 December 2024 or the 15 month period ended 31 December 2023.

The notes on pages 13 to 26 form part of these financial statements.

Statement of financial position

As at 31 December 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	13	3,611	5,166
Tangible assets	14	133,374	149,140
		<u>136,985</u>	<u>154,306</u>
Current assets			
Stocks	15	773,032	841,083
Debtors	16	3,402,574	3,621,135
Cash at bank and in hand		733,496	217,292
		<u>4,909,102</u>	<u>4,679,510</u>
Creditors: amounts falling due within one year	17	(4,531,728)	(3,927,676)
		<u>377,374</u>	<u>751,834</u>
Net current assets		<u>377,374</u>	<u>751,834</u>
Total assets less current liabilities		<u>514,359</u>	<u>906,140</u>
Provisions for liabilities			
Deferred tax	18	(17,426)	(19,131)
		<u>(17,426)</u>	<u>(19,131)</u>
Net assets		<u>496,933</u>	<u>887,009</u>
Capital and reserves			
Called up share capital	19	1,000	1,000
Profit and loss account	20	495,933	886,009
		<u>496,933</u>	<u>887,009</u>

The financial statements were approved and authorised for issue by the board on 28 May 2025 and were signed on its behalf by:

CJA Penney
CJA Penney (May 28, 2025 14:46 GMT+1)
C J A Penney
 Director

The notes on pages 13 to 26 form part of these financial statements.

Addfield Environmental Systems Limited

Statement of changes in equity

For the year ended 31 December 2024

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2022	1,000	1,971,330	1,972,330
Comprehensive income for the period			
Profit for the period	-	1,442,342	1,442,342
Contributions by and distributions to owners			
Dividends paid	-	(2,527,663)	(2,527,663)
At 1 January 2024	1,000	886,009	887,009
Comprehensive income for the year			
Profit for the year	-	1,309,921	1,309,921
Contributions by and distributions to owners			
Dividends paid	-	(1,699,997)	(1,699,997)
At 31 December 2024	1,000	495,933	496,933

The notes on pages 13 to 26 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2024

1. General information

Addfield Environmental Systems Limited is a private company limited by shares and incorporated in England and Wales. Registration number 06516522. The registered office and principal place of business is Unit 9 Zone 4, Burntwood Business Park, Burntwood, Staffordshire, England, WS7 3XD.

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 Republic of Ireland' ('FRS 102') and Companies Act 2006.

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).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The 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.

This information is included in the consolidated financial statements of Darwin Bereavement Services Fund as at 31 December 2024 and these financial statements may be obtained from <https://www.darwinbereavementservicesfund.com/literature>.

2.3 Going concern

The directors monitor market developments and the potential impact on the company on an ongoing basis and remain confident that the going concern basis of accounting remains appropriate and thus the accounts have been produced on this basis.

Notes to the financial statements

For the year ended 31 December 2024

2. Accounting policies (continued)

2.4 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods 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.

When the outcome of a transaction involving a long term contract or the rendering of services can be reliably estimated, revenue from the long term contract or rendering of services is measured by reference to the stage of completion of the contract or service transaction at the end of the reporting period.

When the outcome of a transaction involving a long term contract or the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Finance costs

Finance costs are charged to profit or loss 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.

2.7 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 profit or loss 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.

Notes to the financial statements

For the year ended 31 December 2024

2. Accounting policies (continued)

2.8 Current and deferred taxation

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

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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Trademarks	-	20 %
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2.10 Tangible fixed 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.

Notes to the financial statements

For the year ended 31 December 2024

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land and buildings	-	25%
Plant and machinery	-	25%
Motor vehicles	-	25%
Fixtures and fittings	-	25%

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 in profit or loss.

2.11 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 weighted average 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.

2.12 Debtors

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

2.13 Creditors

Short-term creditors are measured at the transaction price.

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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 to be sold at the reporting date.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Notes to the financial statements

For the year ended 31 December 2024

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 amounts reported for assets and liabilities as at the year end and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from these estimates.

The Company has recognised revenue based on the percentage completion of its performance obligations to its customers. The recognition of performance obligations being met is determined by the activities completed as a percentage of the total contracted activities scheduled. The Company estimates the completion of contracts and profitability by analysing historic trends in costs versus expected costs as well as looking to the future of the contracts to determine expected costs to complete the contract.

The directors believe that there are no other areas involving significant estimation, uncertainty or the application of significant judgement.

4. Turnover

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

Analysis of turnover by country of destination:

	Year ended 31 December 2024 £	15 month period ended 31 December 2023 £
United Kingdom	1,619,534	1,788,098
Rest of the world	11,510,048	13,631,233
	<u>13,129,582</u>	<u>15,419,331</u>

5. Other operating income

	Year ended 31 December 2024 £	15 month period ended 31 December 2023 £
Other operating income	144,929	176,621
	<u>144,929</u>	<u>176,621</u>

Notes to the financial statements

For the year ended 31 December 2024

6. Operating profit

The operating profit is stated after charging:

	Year ended 31 December 2024 £	15 month period ended 31 December 2023 £
Depreciation of tangible fixed assets	49,940	34,465
Amortisation of intangible fixed assets	1,555	1,053
Other operating lease rentals	<u>228,611</u>	<u>305,408</u>

7. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	Year ended 31 December 2024 £	15 month period ended 31 December 2023 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	<u>10,500</u>	<u>10,000</u>

Notes to the financial statements

For the year ended 31 December 2024

8. Employees

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

	Year ended 31 December 2024 £	15 month period ended 31 December 2023 £
Wages and salaries	2,288,739	1,918,481
Social security costs	241,453	190,741
Cost of defined contribution scheme	60,439	32,120
	<u>2,590,631</u>	<u>2,141,342</u>

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

	2024 No.	2023 No.
Directors	2	2
Management	5	5
Administrative	6	6
Sales	4	4
Operations	5	4
Production	29	29
	<u>51</u>	<u>50</u>

9. Directors remuneration

	Year ended 31 December 2024 £	15 month period ended 31 December 2023 £
Wages and salaries	676,387	456,139
Defined contribution pension cost	20,917	9,690
	<u>697,304</u>	<u>465,829</u>

The highest paid director received remuneration of £354,120 (2023 - £235,400).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the of the highest paid director amounted to £10,458 (2023 - £4,470).

Notes to the financial statements

For the year ended 31 December 2024

10. Interest payable and similar expenses

	Year ended 31 December 2024 £	15 month period ended 31 December 2023 £
Bank interest payable	4,347	12,826
	<u>4,347</u>	<u>12,826</u>

11. Taxation

	2024 £	2023 £
Corporation tax		
Current tax on profits for the year	416,093	191,114
Adjustments in respect of previous periods	(74,257)	39
	<u>341,836</u>	<u>191,153</u>
Total current tax	<u>341,836</u>	<u>191,153</u>
Deferred tax		
Origination and reversal of timing differences	(1,705)	19,131
Total deferred tax	<u>(1,705)</u>	<u>19,131</u>
Tax on profit	<u>340,131</u>	<u>210,284</u>

Notes to the financial statements

For the year ended 31 December 2024

11. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2023 - lower than) the standard rate of corporation tax in the UK of 25% (2023 - 21.4%). The differences are explained below:

	2024 £	2023 £
Profit on ordinary activities before tax	<u>1,650,052</u>	<u>1,652,626</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 21.4%)	412,513	373,667
Effects of:		
Fixed asset differences	1,643	(1,096)
Expenses not deductible for tax purposes	232	3,377
Group relief claimed	-	(172,079)
Tax credits	-	3,900
Adjustments to tax charge in respect of prior periods	(74,257)	39
Remeasurement of deferred tax for changes in tax rates	4,591	1,761
Movement in deferred tax not recognised	-	715
Adjustments to tax charge in respect of previous periods - deferred tax	(4,591)	-
Total tax charge for the year/period	<u><u>340,131</u></u>	<u><u>210,284</u></u>

12. Dividends

	Year ended 31 December 2024 £	15 month period ended 31 December 2023 £
Ordinary		
Dividends paid of £1,700.00 (2023: £2,527.66) per Ordinary share paid during the year	<u>1,699,997</u>	<u>2,527,663</u>
	<u><u>1,699,997</u></u>	<u><u>2,527,663</u></u>

Notes to the financial statements

For the year ended 31 December 2024

13. Intangible assets

	Patents £
Cost	
At 1 January 2024	6,219
At 31 December 2024	<u>6,219</u>
Amortisation	
At 1 January 2024	1,053
Charge for the year	1,555
At 31 December 2024	<u>2,608</u>
Net book value	
At 31 December 2024	<u>3,611</u>
At 31 December 2023	<u>5,166</u>

Notes to the financial statements

For the year ended 31 December 2024

14. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2024	142,442	197,174	58,992	320,068	718,676
Additions	24,121	-	-	10,053	34,174
Disposals	-	-	(20,550)	-	(20,550)
At 31 December 2024	<u>166,563</u>	<u>197,174</u>	<u>38,442</u>	<u>330,121</u>	<u>732,300</u>
Depreciation					
At 1 January 2024	142,442	125,661	58,992	242,441	569,536
Charge for the year	503	20,614	-	28,823	49,940
Disposals	-	-	(20,550)	-	(20,550)
At 31 December 2024	<u>142,945</u>	<u>146,275</u>	<u>38,442</u>	<u>271,264</u>	<u>598,926</u>
Net book value					
At 31 December 2024	<u>23,618</u>	<u>50,899</u>	<u>-</u>	<u>58,857</u>	<u>133,374</u>
At 31 December 2023	<u>-</u>	<u>71,513</u>	<u>-</u>	<u>77,627</u>	<u>149,140</u>

15. Stocks

	2024 £	2023 £
Raw materials and consumables	773,032	841,083
	<u>773,032</u>	<u>841,083</u>

Notes to the financial statements

For the year ended 31 December 2024

16. Debtors

	2024 £	2023 £
Trade debtors	2,774,355	2,186,394
Other debtors	25,829	56,297
Prepayments and accrued income	229,594	243,808
Amounts recoverable on long-term contracts	372,796	1,134,636
	<u>3,402,574</u>	<u>3,621,135</u>

17. Creditors: amounts falling due within one year

	2024 £	2023 £
Payments received on account	1,832,279	2,136,631
Trade creditors	715,611	962,442
Amounts owed to group undertakings	972,549	322,446
Corporation tax	419,811	78,082
Other taxation and social security	84,594	64,754
Other creditors	34,579	33,466
Accruals and deferred income	472,305	329,855
	<u>4,531,728</u>	<u>3,927,676</u>

18. Deferred taxation

	2024 £
At beginning of year	(19,131)
Charged to profit or loss	1,705
At end of year	<u>(17,426)</u>

Notes to the financial statements

For the year ended 31 December 2024

18. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2024	2023
	£	£
Fixed asset timing differences	(19,265)	(26,289)
Short term timing differences	1,839	7,158
	<u>(17,426)</u>	<u>(19,131)</u>

19. Share capital

	2024	2023
	£	£
Allotted, called up and fully paid		
1,000 (2023 - 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

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

20. Reserves

Profit and loss account

The profit and loss account includes cumulative profits or losses net of any dividends paid.

21. Contingent liabilities

On 9 May 2024, the company entered into a cross guarantee between the company and fellow subsidiaries of Darwin Bereavement Properties (Guernsey) Limited, in favour of Lloyds Bank PLC.

The total value of guaranteed loans outstanding at 31 December 2024 was £41,621,468 and is secured by a fixed and floating charge over all assets of the company.

22. Capital commitments

The company had no capital commitments at 31 December 2024 or 31 December 2023.

Notes to the financial statements

For the year ended 31 December 2024

23. Pension commitments

The company operates a defined contributions scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge for the year was £60,439 (2023 - £32,120) which represents contributions paid by the company to the fund. Amounts payable in contributions to the fund at the reporting date totalled £32,520 (2023 - £33,073).

24. Commitments under operating leases

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

	2024	2023
	£	£
Not later than 1 year	238,821	261,909
Later than 1 year and not later than 5 years	320,995	488,224
	<u>559,816</u>	<u>750,133</u>

25. Related party transactions

In line with the requirements of FRS 102 the company is not required to disclose transactions with group companies on the grounds that these companies are wholly owned within the Group.

Key management personnel are deemed to be the directors for who's remuneration has been disclosed in note 9.

26. Controlling party

The company's immediate parent is Darwin Bereavement Properties (Guernsey) Limited.

The smallest and largest group of undertakings for which consolidated group accounts, which include the company, have been drawn up is headed by Darwin Bereavement Services Fund. The registered office of Darwin Bereavement Services Fund is 11 New Street, St Peter Port, Guernsey, GY1 2PF.

In the opinion of the directors, there is no ultimate controlling party.