

BLAZE MANUFACTURING SOLUTIONS LTD.

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2024

BLAZE MANUFACTURING SOLUTIONS LTD.

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**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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.

BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	4	1,562	2,812
Tangible assets	5	173,950	191,951
		<u>175,512</u>	<u>194,763</u>
Current assets			
Stocks	6	39,319	40,230
Debtors: amounts falling due within one year	7	3,558,042	2,021,353
Cash at bank and in hand	8	414	27,558
		<u>3,597,775</u>	<u>2,089,141</u>
Creditors: amounts falling due within one year	9	(2,674,385)	(1,596,772)
Net current assets		<u>923,390</u>	<u>492,369</u>
Creditors: amounts falling due after more than one year	10	(705,000)	(1,505,000)
Net assets/(liabilities)		<u><u>393,902</u></u>	<u><u>(817,868)</u></u>
Capital and reserves			
Called up share capital	11	2,175,100	1,000,100
Share premium account		26,992	26,992
Capital redemption reserve		8	8
Profit and loss account		(1,808,198)	(1,844,968)
		<u><u>393,902</u></u>	<u><u>(817,868)</u></u>

BLAZE MANUFACTURING SOLUTIONS LTD.
REGISTERED NUMBER:SC306482

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2024

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

WE Main
Director

H Johnson
Director

Date: 29 August 2024

The notes on pages 4 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1. General information

Blaze Manufacturing Solutions Ltd. (the company) is a company limited by shares, incorporated in the United Kingdom. The company's registered office is Blaze House, Laurencekirk Business Park, Laurencekirk, Aberdeenshire, AB30 1EY.

The company designs, installs and services fire safety systems, providing solutions to the oil and gas, renewable energies, nuclear and industrial sectors.

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 FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the requirements of the Companies Act 2006. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The following principal accounting policies have been applied:

2.2 Going concern

The directors, having made due and careful enquiry whilst preparing forecasts, are of the opinion that the company has adequate working capital to execute its operations for twelve months from the date of signing these financial statements.

As at 31 March 2024, the company has net current assets of £923,390 (2023 - £492,369), and net assets of £393,902 (2023 – net liabilities of £817,868). Net assets include £705,000 due to group undertakings which are not due for repayment in the next twelve months. The ultimate parent company, Balmoral Group Holdings Limited, has confirmed that it will continue to provide financial support to the company as needed.

As part of the directors' assessment of going concern, detailed forecasts have been prepared which forecasts continued profitable trading and improving balance sheet position. This projection is underpinned by improving market conditions and key opportunities identified in emerging markets, along with the continued support of the parent company.

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

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)

2.4 Revenue

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

Sale of goods

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

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

2.5 Construction contracts

Where the outcome of a construction can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of the contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs.

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 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.8 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 Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.9 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 balance sheet 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 balance sheet 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 balance sheet date.

2.10 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.

The estimated useful lives range as follows:

Software	-	4	years
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2.11 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 MARCH 2024

2. Accounting policies (continued)

2.11 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:

Plant and machinery	-	15%	reducing balance
Motor vehicles	-	25%	straight line
Fixtures and fittings	-	15%	reducing balance
Office equipment	-	30%	straight line
Tenant's improvements	-	5%	straight line

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.

2.12 Stocks

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

At each balance sheet 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.

2.13 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

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

2.15 Creditors

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.16 Provisions for liabilities

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

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

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

3. Employees

The average monthly number of employees, including directors, during the year was 35 (2023 - 33).

4. Intangible assets

	Software £
Cost	
At 1 April 2023	5,000
At 31 March 2024	<u>5,000</u>
Amortisation	
At 1 April 2023	2,188
Charge for the year on owned assets	1,250
At 31 March 2024	<u>3,438</u>
Net book value	
At 31 March 2024	<u><u>1,562</u></u>
At 31 March 2023	<u><u>2,812</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

5. Tangible fixed assets

	Tenant's improvements £	Plant and vehicles £	Office equipment and fittings £	Assets under construction £	Total £
Cost or valuation					
At 1 April 2023	134,756	260,680	239,811	33,211	668,458
Additions	-	-	13,253	-	13,253
At 31 March 2024	<u>134,756</u>	<u>260,680</u>	<u>253,064</u>	<u>33,211</u>	<u>681,711</u>
Depreciation					
At 1 April 2023	61,057	181,307	227,501	6,642	476,507
Charge for the year on owned assets	6,738	13,278	4,596	6,642	31,254
At 31 March 2024	<u>67,795</u>	<u>194,585</u>	<u>232,097</u>	<u>13,284</u>	<u>507,761</u>
Net book value					
At 31 March 2024	<u>66,961</u>	<u>66,095</u>	<u>20,967</u>	<u>19,927</u>	<u>173,950</u>
At 31 March 2023	<u>73,699</u>	<u>79,373</u>	<u>12,310</u>	<u>26,569</u>	<u>191,951</u>

6. Stocks

	2024 £	2023 £
Raw materials and consumables	<u>39,319</u>	<u>40,230</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

7. Debtors

	2024 £	2023 £
Trade debtors	1,676,360	1,125,747
Other debtors	49,400	58,069
Prepayments	52,595	51,405
Amounts recoverable on long term contracts	1,622,615	629,060
Deferred taxation	157,072	157,072
	<u>3,558,042</u>	<u>2,021,353</u>

8. Cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	414	27,558
Less: bank overdraft (Note 9)	(650,313)	(640,417)
	<u>(649,899)</u>	<u>(612,859)</u>

9. Creditors: Amounts falling due within one year

	2024 £	2023 £
Bank overdraft	650,313	640,417
Payments received on account	1,251,753	567,530
Trade creditors	111,142	8,720
Amounts owed to group undertakings	87,393	3,956
Other taxation and social security	114,077	277,697
Other creditors	71,773	35,256
Accruals and deferred income	387,934	63,196
	<u>2,674,385</u>	<u>1,596,772</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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

	2024	2023
	£	£
Amounts owed to group undertakings	<u>705,000</u>	<u>1,505,000</u>

Amounts owed to group undertakings include a loan of £330,000 on which interest accrues at 5% per annum. This loan is unsecured and repayable in August 2026.

In addition to this, the company's ultimate parent company has also provided a revolving credit facility with a term to August 2025. As at 31 March 2024, £375,000 has been drawn down on this facility. This loan is unsecured and interest accrues at the Bank of England base rate plus 5% per annum

11. Share capital

	2024	2023
	£	£
Allotted, called up and fully paid		
2,175,100 (2023 - 1,000,100) A Ordinary shares of £1.00 each	<u>2,175,100</u>	<u>1,000,100</u>

During the year, 1,175,000 A Ordinary shares were issued at par value.

12. Contingent liabilities

There are contingent liabilities arising from contractual obligations entered into in the normal course of business including, at the balance sheet date, £556,777 (2023 - £230,495) in respect of bonds and contract performance and tender guarantees issued by the Company's bankers.

13. Pension commitments

The Company contributes to a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £83,081 (2023 - £72,892). Contributions totaling £22,221 (2023 - £12,924) were payable to the fund at the Balance sheet date and are included in creditors.

14. Related party transactions

The Company has taken advantage of the exemptions available under FRS 102 from disclosing transactions with its parent undertaking and other subsidiary undertakings where 100% of the voting rights are controlled within the group.

Outside of this exemption, the Company made sales to companies under common control, amounting to £18,730 (2023 - £426,331) and purchases amounting to £137,588 (2023 - £22,754). The total balance due to these entities at 31 March 2024 was £790,031 (2023 - £1,508,956).

Director loans of £15,000 were due from the Company at the current and prior year-end in respect of two directors. No interest is charged on these loans and there are no set repayment terms.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

15. Commitments under operating leases

At 31 March 2024 the Company had future minimum lease payments under non-cancelable operating leases of £7,662 (2023 - £41,043).

16. Controlling party

The Company's immediate parent company is **Blaze Holdco Limited**, a company registered in Scotland, and the ultimate parent company is **Balmoral Group Holdings Limited**, a company registered in Scotland. The registered office of **Balmoral Group Holdings Limited** is **Balmoral Park, Loirston, Aberdeen, AB12 3GY**.

The smallest and largest group in which the results of the Company are consolidated is that headed by **Balmoral Group Holdings Limited**. The consolidated accounts of this group are available to the public and may be obtained from the Registrar of Companies, **Queen Elizabeth House, 1 Sibbald Walk, Edinburgh, EH8 8FT**.

17. Auditor's information

The auditor's report on the financial statements for the year ended 31 March 2024 was unqualified.

The audit report was signed on 29 August 2024 by **Graeme Penman** (Senior statutory auditor) on behalf of **Anderson Anderson & Brown Audit LLP**.

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