

Registered number: 09826669

PLEXTEK SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024



PLEXTEK SERVICES LIMITED

COMPANY INFORMATION

Directors	T Jackson I A Murphy C R Smithers B C Hudson
Company secretary	M E Fardell
Registered number	09826669
Registered office	The Plextek Building London Road Great Chesterford Saffron Walden CB10 1NY
Independent auditors	MHA Statutory Auditors 2 London Wall Place London, United Kingdom EC2Y 5AU

PLEXTEK SERVICES LIMITED

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PLEXTEK SERVICES LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

Introduction

Plextek Services Limited ("Plextek") is a leading provider of technology innovation and bespoke engineering services for advanced sensing, communications and data exploitation products and systems. The company serves customers across markets from consumer through industrial to healthcare, security, defence and aerospace.

Business review

The company has again proven itself to be very resilient, with the defence and security markets continuing to provide reliable revenue streams and other markets continuing to show satisfactory growth. Overall, both revenue and profitability improved significantly and in line with expectations.

The company continued to diversify its customer base and project size during the year, providing greater resilience to any macroeconomic changes that may appear.

Ignite Exponential ('IEX'), the business unit providing innovation strategy and product design services had a satisfactory year.

Principal risks and uncertainties

At the time of writing, the principal risks to the business remain the global macroeconomic environment: the continuing impact of the military conflict in Ukraine, the impact of the uncertainty in the upcoming US Presidential election, and the UK Government's announcements around a Strategic Defence Review (SDR) and a consequent impact on delaying defence-related orders are of concern.

Recruiting the excellent technical staff needed to deliver our services remains a challenge; demand for such people far exceeds supply – particularly in the Greater Cambridge area.

Financial key performance indicators

The key performance indicators on which the business is assessed are turnover, operating profit, staff growth and new clients won.

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



.....
B C Hudson
Director

Date: 24.11.24

PLEXTEK SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2024

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

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £776,842 (2023 - £516,151).

During the year dividends of £223,500 (2023 - £90,000) were declared and paid.

Directors

The directors who served during the year were:

T Jackson
I A Murphy
C R Smithers
B C Hudson

Future developments

While the forward order book remains strong, we are slightly more cautious about increasing headcount ahead of the revenue curve until the SDR is complete.

We continue to drive improvements for staff through further increases to the company pension contribution, continuing a company-wide bonus scheme, improvements to our medical benefits provided to staff, as well as significantly increased levels of training.

We have made substantial progress towards our Carbon Net Zero targets and continue to assist our customers meet their sustainability targets through the products we help them make.

PLEXTEK SERVICES LIMITED

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

Matters covered in the Group Strategic Report

Details concerning principal activities, business review, principal risks and uncertainties, financial risk management objectives and policies and financial key performance indicators (KPIs) can be found in the Group Strategic Report.

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 and the Group'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 and the Group's auditors are aware of that information.

Post balance sheet events

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

Auditors

Under section 487(2) of the Companies Act 2006, MHA will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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



.....
B C Hudson
Director

Date: 24. ix . 24

The Plextek Building
London Road
Great Chesterford
Saffron Walden
CB10 1NY

PLEXTEK SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLEXTEK SERVICES LIMITED

Opinion

We have audited the financial statements of Plextek Services Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2024, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company 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 Group's and of the parent Company's affairs as at 31 March 2024 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

PLEXTEK SERVICES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLEXTEK SERVICES LIMITED
(CONTINUED)**

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 Group 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 Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLEXTEK SERVICES LIMITED
(CONTINUED)**

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 Group 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:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing financial statement disclosures and testing to supporting documentation to access compliance with applicable laws and regulations.

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.

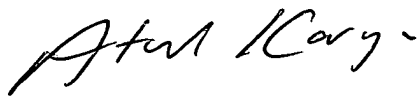
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

PLEXTEK SERVICES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLEXTEK SERVICES LIMITED
(CONTINUED)**

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.



Atul Kariya FCCA (Senior Statutory Auditor)
for and on behalf of MHA, Statutory Auditor
London, United Kingdom

Date: 23 October 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

PLEXTEK SERVICES LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 £	2023 £
Turnover	4	12,467,843	9,369,158
Cost of sales		(4,739,763)	(3,159,129)
Gross profit		7,728,080	6,210,029
Administrative expenses		(7,048,401)	(5,814,548)
Operating profit	5	679,679	395,481
Interest receivable and similar income	9	234,302	66,621
Interest payable and similar expenses	10	(47,374)	-
Profit before tax		866,607	462,102
Tax on profit	11	(89,765)	54,049
Profit for the financial year		776,842	516,151

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

The notes on pages 18 to 37 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	13	4,062,786	293,813
Investments	14	100,000	100,000
		<u>4,162,786</u>	<u>393,813</u>
Current assets			
Stocks	15	2,498,205	802,483
Debtors	16	4,666,679	3,918,323
Cash at bank and in hand	17	5,355,830	4,640,898
		<u>12,520,714</u>	<u>9,361,704</u>
Creditors: amounts falling due within one year	18	(8,043,810)	(3,500,942)
Net current assets		<u>4,476,904</u>	<u>5,860,762</u>
Total assets less current liabilities		<u>8,639,690</u>	<u>6,254,575</u>
Creditors: amounts falling due after more than one year	19	(1,844,444)	-
Provisions for liabilities			
Other provisions	22	(109,680)	(167,082)
Net assets		<u><u>6,685,566</u></u>	<u><u>6,087,493</u></u>
Capital and reserves			
Called up share capital	23	4,103	4,103
Share premium account	24	455,631	455,631
Share based payment reserve	24	233,199	314,699
Profit and loss account	24	5,992,633	5,313,060
		<u><u>6,685,566</u></u>	<u><u>6,087,493</u></u>

PLEXTEK SERVICES LIMITED
REGISTERED NUMBER: 09826669

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2024

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



.....
B C Hudson
Director

Date: *24.ix.24*

The notes on pages 18 to 37 form part of these financial statements.

PLEXTEK SERVICES LIMITED
REGISTERED NUMBER: 09826669


COMPANY BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	13	4,062,786	293,813
Investments	14	100,000	100,000
		<u>4,162,786</u>	<u>393,813</u>
Current assets			
Stocks	15	2,498,205	802,483
Debtors	16	4,810,477	3,918,323
Cash at bank and in hand	17	5,355,830	4,640,898
		<u>12,664,512</u>	<u>9,361,704</u>
Creditors: amounts falling due within one year	18	(8,043,810)	(3,500,942)
Net current assets		<u>4,620,702</u>	<u>5,860,762</u>
Total assets less current liabilities		<u>8,783,488</u>	<u>6,254,575</u>
Creditors: amounts falling due after more than one year	19	(1,844,444)	-
Provisions for liabilities			
Other provisions	22	(109,680)	(167,082)
Net assets		<u><u>6,829,364</u></u>	<u><u>6,087,493</u></u>
Capital and reserves			
Called up share capital	23	4,103	4,103
Share premium account	24	455,631	455,631
Other reserves	24	233,199	314,699
Profit and loss account brought forward		5,313,060	4,886,909
Profit for the year		920,640	516,151
Other changes in the profit and loss account		(97,269)	(90,000)
Profit and loss account carried forward		<u>6,136,431</u>	<u>5,313,060</u>
		<u><u>6,829,364</u></u>	<u><u>6,087,493</u></u>

PLEXTEK SERVICES LIMITED
REGISTERED NUMBER: 09826669

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2024

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


.....
B C Hudson
Director

Date: 24. ix . 24

The notes on pages 18 to 37 form part of these financial statements.

PLEXTEK SERVICES LIMITED

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

	Called up share capital £	Share premium account £	Share based payment reserve £	Profit and loss account £	Total equity £
At 1 April 2022	3,973	455,631	263,244	4,886,909	5,609,757
Profit for the year	-	-	-	516,151	516,151
Dividends	-	-	-	(90,000)	(90,000)
Shares issued during the year	130	-	-	-	130
Credit to equity for share based payments	-	-	51,455	-	51,455
At 1 April 2023	4,103	455,631	314,699	5,313,060	6,087,493
Profit for the year	-	-	-	776,842	776,842
Dividends	-	-	-	(223,500)	(223,500)
Transfer	-	-	(126,231)	126,231	-
Credit to equity for share based payments	-	-	44,731	-	44,731
At 31 March 2024	4,103	455,631	233,199	5,992,633	6,685,566

The notes on pages 18 to 37 form part of these financial statements.

PLEXTEK SERVICES LIMITED

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

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2022	3,973	455,631	263,244	4,886,909	5,609,757
Comprehensive income for the year					
Profit for the year	-	-	-	516,151	516,151
Dividends	-	-	-	(90,000)	(90,000)
Shares issued during the year	130	-	-	-	130
Credit to equity for share based payments	-	-	51,455	-	51,455
At 1 April 2023	4,103	455,631	314,699	5,313,060	6,087,493
Profit for the year	-	-	-	920,640	920,640
Dividends	-	-	-	(223,500)	(223,500)
Transfer	-	-	(126,231)	126,231	-
Credit to equity for share based payments	-	-	44,731	-	44,731
At 31 March 2024	4,103	455,631	233,199	6,136,431	6,829,364

The notes on pages 18 to 37 form part of these financial statements.

PLEXTEK SERVICES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024**

	2024 £	2023 £
Cash flows from operating activities		
Profit for the financial year	776,842	516,151
Adjustments for:		
Depreciation of tangible assets	192,701	113,442
Profit on disposal of tangible assets	-	(4,454)
Interest paid	47,374	-
Interest received	(234,302)	(66,621)
Taxation charge	89,765	(54,049)
(Increase)/decrease in stocks	(1,695,722)	56,879
Decrease in debtors	238,190	1,268,130
Increase in amounts owed by related undertakings	(986,546)	(359,419)
Increase/(decrease) in creditors	4,319,770	(335,127)
(Decrease)/increase in provisions	(57,402)	249
Corporation tax received	-	56,970
Net cash generated from operating activities	2,690,670	1,192,151
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,961,674)	(177,989)
Sale of tangible fixed assets	-	6,000
Purchase of unlisted and other investments	-	(100,000)
Interest received	234,302	66,621
Net cash from investing activities	(3,727,372)	(205,368)

PLEXTEK SERVICES LIMITED

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

	2024 £	2023 £
Cash flows from financing activities		
Issue of ordinary shares	-	130
New secured loans	1,977,777	-
Dividends paid	(223,500)	(90,000)
Interest paid	(47,374)	-
Share based payment	44,731	51,455
Net cash used in financing activities	1,751,634	(38,415)
Net increase in cash and cash equivalents	714,932	948,368
Cash and cash equivalents at beginning of year	4,640,898	3,692,530
Cash and cash equivalents at the end of year	5,355,830	4,640,898
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,355,830	4,640,898
	5,355,830	4,640,898

The notes on pages 18 to 37 form part of these financial statements.

PLEXTEK SERVICES LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2024**

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	4,640,898	714,932	5,355,830
Debt due after 1 year	-	(1,844,444)	(1,844,444)
Debt due within 1 year	-	(133,333)	(133,333)
	<u>4,640,898</u>	<u>(1,262,845)</u>	<u>3,378,053</u>

The notes on pages 18 to 37 form part of these financial statements.

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

1. General information

Plextek Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Plextek Building, London Road, Great Chesterford, Saffron Walden, CB10 1NY.

The company's principal activity is that of a premier provider of bespoke design and engineering services for advanced sensing, communications and data exploitation products and systems.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

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

The financial statements are prepared in pound sterling, the functional currency, rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

2.3 Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. In response to the principal risks to the business identified in the Strategic Report, the Directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of various foreseeable future scenarios that may arise. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the accounts.

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

2. Accounting policies (continued)

2.4 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.

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

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

2. Accounting policies (continued)

2.5 Revenue

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

Sale of goods

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

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

Rendering of services

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

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

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

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

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

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

2. Accounting policies (continued)

2.8 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.

2.9 Borrowing costs

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

2.10 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Group in independently administered funds.

2.11 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

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

2. Accounting policies (continued)

2.12 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 and the Group operate and generate 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.

2.13 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.

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	-	33%
Motor vehicles	-	25%
Computer equipment	-	33%

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.

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

2. Accounting policies (continued)

2.14 Valuation of investments

Investments in unlisted shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.15 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.

2.16 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.

2.17 Cash and cash equivalents

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

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

2.18 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.

2.19 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.

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

2. Accounting policies (continued)

2.20 Financial instruments

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

The Group has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Group's Balance Sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

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

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

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

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

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

2. Accounting policies (continued)

2.20 Financial instruments (continued)

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the Group after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

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

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments

Derecognition of financial assets

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

Derecognition of financial liabilities

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

PLEXTEK SERVICES LIMITED

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

2. Accounting policies (continued)**2.21 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.

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

The most significant judgements made in these financial statements relate to the valuation of stock, recognition of revenue recoverable on long term contracts and the recoverability of debts.

Estimates relating to contract completion are based on detailed project-by-project forecasts. Based on these forecasts, the directors are satisfied that the revenue is appropriately recognised, and are satisfied that stock and debtors are appropriately reflected.

4. Turnover

An analysis of turnover by class of business is as follows:

	2024	2023
	£	£
Design and consultancy	10,947,944	8,283,675
Materials and expenses recharged	1,190,379	697,475
Manufacturing services	329,520	388,008
	<u>12,467,843</u>	<u>9,369,158</u>

Analysis of turnover by country of destination:

	2024	2023
	£	£
United Kingdom	10,298,602	7,729,393
Rest of World	2,169,241	1,639,765
	<u>12,467,843</u>	<u>9,369,158</u>

PLEXTEK SERVICES LIMITED

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

5. Operating profit

The operating profit is stated after charging:

	2024	2023
	£	£
Research & development charged as an expense	20,610	24,168
Exchange differences	784	(90,734)
	<u><u>20,610</u></u>	<u><u>(90,734)</u></u>

6. Auditors' remuneration

	2024	2023
	£	£
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	20,500	21,000
	<u><u>20,500</u></u>	<u><u>21,000</u></u>

7. Employees

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

	Group	<i>Group</i>	Company	<i>Company</i>
	2024	<i>2023</i>	2024	<i>2023</i>
	£	£	£	£
Wages and salaries	5,606,734	4,766,674	5,462,936	4,766,674
Social security costs	673,440	624,172	673,440	624,172
Cost of defined contribution scheme	1,299,596	793,401	1,299,596	793,401
	<u><u>7,579,770</u></u>	<u><u>6,184,247</u></u>	<u><u>7,435,972</u></u>	<u><u>6,184,247</u></u>

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

	Group	<i>Group</i>	Company	<i>Company</i>
	2024	<i>2023</i>	2024	<i>2023</i>
	No.	No.	No.	No.
Engineering, design and consultancy	58	54	58	54
Management and administration	19	16	19	16
Sales and marketing	9	9	8	9
	<u><u>86</u></u>	<u><u>79</u></u>	<u><u>85</u></u>	<u><u>79</u></u>

PLEXTEK SERVICES LIMITED

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

8. Directors' remuneration

	2024 £	2023 £
Directors' emoluments	303,852	208,949
Group contributions to defined contribution pension schemes	53,551	47,726
	<u>357,403</u>	<u>256,675</u>

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

The highest paid director received remuneration of £210,852 (2023 - £177,600).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £53,551 (2023 - £47,726).

The directors are the Key Management Personnel and their remuneration is noted above.

9. Interest receivable

	2024 £	2023 £
Other interest receivable	234,302	66,621
	<u>234,302</u>	<u>66,621</u>

10. Interest payable and similar expenses

	2024 £	2023 £
Bank interest payable	47,374	-
	<u>47,374</u>	<u>-</u>

PLEXTEK SERVICES LIMITED

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

11. Taxation

	2024 £	2023 £
Corporation tax		
Current tax on profits for the year	208,761	(54,049)
Adjustments in respect of previous periods	(118,996)	-
	<u>89,765</u>	<u>(54,049)</u>
Total current tax	<u>89,765</u>	<u>(54,049)</u>
Deferred tax		
Total deferred tax	-	-
Tax on profit	<u>89,765</u>	<u>(54,049)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023 - lower than) the standard rate of corporation tax in the UK of 25% (2023 - 19%). The differences are explained below:

	2024 £	2023 £
Profit on ordinary activities before tax	<u>866,607</u>	<u>462,102</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 19%)	216,652	87,799
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	35,578	(795)
Capital allowances for year in excess of depreciation	(43,469)	(23,988)
Adjustments to tax charge in respect of prior periods	6,711	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(125,707)	(117,065)
Total tax charge for the year	<u>89,765</u>	<u>(54,049)</u>

PLEXTEK SERVICES LIMITED

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

12. Dividends

	2024 £	2023 £
Dividends paid on Ordinary "A" shares	223,500	90,000
	<u>223,500</u>	<u>90,000</u>

13. Tangible fixed assets

Group and Company

	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 April 2023	-	620,447	-	308,429	928,876
Additions	3,575,000	200,432	40,469	145,773	3,961,674
At 31 March 2024	<u>3,575,000</u>	<u>820,879</u>	<u>40,469</u>	<u>454,202</u>	<u>4,890,550</u>
Depreciation					
At 1 April 2023	-	468,908	-	166,155	635,063
Charge for the year on owned assets	-	92,811	4,580	95,310	192,701
At 31 March 2024	<u>-</u>	<u>561,719</u>	<u>4,580</u>	<u>261,465</u>	<u>827,764</u>
Net book value					
At 31 March 2024	<u>3,575,000</u>	<u>259,160</u>	<u>35,889</u>	<u>192,737</u>	<u>4,062,786</u>
At 31 March 2023	<u>-</u>	<u>151,539</u>	<u>-</u>	<u>142,274</u>	<u>293,813</u>

PLEXTEK SERVICES LIMITED

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

14. Fixed asset investments

Group

	Unlisted investments £
Cost	
At 1 April 2023	100,000
At 31 March 2024	<u>100,000</u>

Company

	Unlisted investments £
Cost	
At 1 April 2023	100,000
At 31 March 2024	<u>100,000</u>

In the prior year the company purchased a minority shareholding in Monumo Limited, which is incorporated in the UK. During the year no dividends were received from Monumo Limited. The address of the registered office of Monumo Limited is The Plextek Building, London Road, Great Chesterford, Saffron Walden, Essex, England, CB10 1NY.

During the year, the company became the sole member of Plextek Services LLC. The directors deem that this membership holds £nil value.

15. Stocks

	Group 2024 £	<i>Group 2023 £</i>	Company 2024 £	<i>Company 2023 £</i>
Raw materials and consumables	1,746,985	614,915	1,746,985	614,915
Work in progress (goods to be sold)	612,032	130,400	612,032	130,400
Finished goods and goods for resale	139,188	57,168	139,188	57,168
	<u>2,498,205</u>	<u>802,483</u>	<u>2,498,205</u>	<u>802,483</u>

PLEXTEK SERVICES LIMITED

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

16. Debtors

	Group 2024 £	<i>Group 2023 £</i>	Company 2024 £	<i>Company 2023 £</i>
Due after more than one year				
Amounts owed by related undertakings	72,090	72,090	72,090	72,090
	72,090	72,090	72,090	72,090
Due within one year				
Trade debtors	2,139,281	1,591,839	2,139,281	1,591,839
Amounts owed by related undertakings	1,054,408	793,585	1,198,206	793,585
Other debtors	5,283	-	5,283	-
Prepayments and accrued income	156,323	82,090	156,323	82,090
Amounts recoverable on long-term contracts	1,225,405	1,364,830	1,225,405	1,364,830
Deferred taxation	13,889	13,889	13,889	13,889
	4,666,679	3,918,323	4,810,477	3,918,323

17. Cash and cash equivalents

	Group 2024 £	<i>Group 2023 £</i>	Company 2024 £	<i>Company 2023 £</i>
Cash at bank and in hand	5,355,830	4,640,898	5,355,830	4,640,898
	5,355,830	4,640,898	5,355,830	4,640,898

18. Creditors: Amounts falling due within one year

	Group 2024 £	<i>Group 2023 £</i>	Company 2024 £	<i>Company 2023 £</i>
Bank loans	133,333	-	133,333	-
Trade creditors	640,571	204,981	640,571	204,981
Amounts owed to related undertakings	29,986	7,782	29,986	7,782
Corporation tax	152,779	63,014	152,779	63,014
Other taxation and social security	663,498	579,885	663,498	579,885
Other creditors	107,795	78,048	107,795	78,048
Accruals and deferred income	6,315,848	2,567,232	6,315,848	2,567,232
	8,043,810	3,500,942	8,043,810	3,500,942

PLEXTEK SERVICES LIMITED

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

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

	Group 2024	<i>Group 2023</i>	Company 2024	<i>Company 2023</i>
	£	£	£	£
Bank loans	1,844,444	-	1,844,444	-
	<u>1,844,444</u>	<u>-</u>	<u>1,844,444</u>	<u>-</u>

20. Loans

Analysis of the maturity of loans is given below:

	Group 2024	<i>Group 2023</i>	Company 2024	<i>Company 2023</i>
	£	£	£	£
Amounts falling due within 1 year				
Bank loans	133,333	-	133,333	-
Amounts falling due 1-2 years				
Bank loans	133,333	-	133,333	-
Amounts falling due 2-5 years				
Bank loans	1,711,111	-	1,711,111	-
	<u>1,977,777</u>	<u>-</u>	<u>1,977,777</u>	<u>-</u>

21. Deferred taxation

Group

	2024 £
At beginning of year	13,889
At end of year	<u>13,889</u>

PLEXTEK SERVICES LIMITED

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

21. Deferred taxation (continued)

Company

	2024
	£
At beginning of year	13,889
At end of year	13,889

	Group	<i>Group</i>	Company	<i>Company</i>
	2024	<i>2023</i>	2024	<i>2023</i>
	£	<i>£</i>	£	<i>£</i>
Accelerated capital allowances	13,889	<i>13,889</i>	13,889	<i>13,889</i>
	13,889	<i>13,889</i>	13,889	<i>13,889</i>

22. Provisions

Group and Company

	Warranty
	Provision
	£
At 1 April 2023	167,082
Charge to profit or loss	(57,402)
At 31 March 2024	109,680

Amounts charged to the profit and loss represent an estimate of future warranty costs for manufacturing services, relating to products shipped by 31 March 2024. This provision is expected to be used, if required, over the next 24 months.

PLEXTEK SERVICES LIMITED

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

23. Share capital

	2024 £	2023 £
Allotted, called up and fully paid		
36,000,000 (2023 - 36,000,000) Ordinary "A" Shares of £0.0001 each -	3,600	3,600
4,811,105 (2023 - 4,811,105) Ordinary "B" Shares of £0.0001 each -	481	481
217,907 (2023 - 217,907) Ordinary "C" Shares of £0.0001 each -	22	22
	<hr/> 4,103 <hr/>	<hr/> 4,103 <hr/>

24. Reserves**Share premium account**

The share premium account represents the excess value over and above the nominal value of the share capital of trade and assets acquired on the transfer of business into Plextek Services Limited.

Share based payment reserve

The share based payment reserve is for movements in respect of share options granted. Please see note 25 for details of share options granted.

Profit and loss account

This includes all current and prior year retained profits and losses less dividends paid.

25. Share-based payments

During the year, Plextek Services Limited granted 927,500 share options to employees and non-employees, which will vest over a four year period. A share based payment charge of £44,731 (2023 - £51,455) has been recognised in operating expenses in the current year, of which £44,649 (2023 - £51,325) has been recognised in employee costs. The remaining £82 (2023 - £129) relates to share options granted to non-employees.

26. Pension commitments

The Company operates a defined contribution pension scheme for employees. Company contributions in the period amounted to £1,299,596 (2023 - £793,401). An amount of £104,174 (2023 - £71,193) is included in other creditors, which represents the excess of accumulated pension costs over the payment of contributions to employees' pensions.

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

27. Related party transactions

C R Smithers, T Jackson and I A Murphy, directors of Plextek Services Limited ("PSL") are also directors of Plextek Limited ("Plextek"). During the year expenses totalling £43,955 (2023: £33,042) were borne on behalf of PSL by Plextek and recharged at cost.

At 31 March 2024, PSL owed Plextek £3,434 (2023: £7,782) in relation to these transactions.

C R Smithers, T Jackson and I A Murphy are also directors of Plextek Campus Limited ("Campus"). During the year, sales of £30,069 (2023: £3,727) were made to Campus. Also, expenses totalling £497,629 (2023: £305,509) were borne on behalf of PSL by Campus and recharged at cost. Purchase of goods and services were made from Campus with a value of £459,656 (2023: £609,106).

At 31 March 2024, PSL owed Campus £26,552 (2023: Campus owed PSL £732) in relation to these transactions.

C R Smithers, T Jackson and I A Murphy are also directors of Redtail Telematics Limited ("Redtail"). During the year, sales of goods and services were made to Redtail with a value of £284,544 (2023: £415,161). Purchases of goods and services were made from Redtail totalling £nil (2023: £1,718).

At 31 March 2024, Redtail owed PSL £278,749 (2023: £223,394) in relation to these transactions.

At 31 March 2024, PSL were also owed £192,090 (2023: £192,090) from Redtail in respect of a loan which carries interest at 12% over the bank base rate, £407,950 (2023: £407,950) in respect of another loan which carries interest at 10.25% and a third loan of £200,000 (2023: £nil) which also carried interest at 10.25%. During the year interest of £103,317 (2023: £25,566) was charged to Redtail in respect of these loans, of which £2,814 (2023: £6,085) was unpaid at the year end.

C R Smithers, T Jackson and I A Murphy are also directors of Blighter Surveillance Systems Limited ("BSS"). During the year, sales of goods and services were made to BSS with a value of £57,115 (2023: £73,745).

At 31 March 2024, BSS owed PSL £192,833 (2023: £183,362) in relation to these transactions.

At 31 March 2024, PSL were also owed £445,651 (2023: £445,651) from BSS in respect of two loans. The loans and unpaid trading balances incur interest at 10.25%. During the year interest of £15,934 (2023: £40,527) was charged to BSS in respect of this loan, of which £20,184 (2023: £20,184) was unpaid at the year end.

At 31 March 2024 a provision was held against recoverability of the above balances owed by BSS, totalling £613,773 (2023: £613,773).

During the year, a director took loans from PSL totalling £247,500 at an interest rate of 10% per annum. Interest of £9,188 was charged on these loans. The highest amount owed to the company by the director (loan plus accrued interest) at any point in the year was £255,002. The loans and accrued interest were repaid in full prior to the year end, and so the amount due from the director to the company at 31 March 2024 was £nil.

Also during the year, a second director took loans from PSL totalling £195,500 at an interest rate of 10% per annum. Interest of £6,277 was charged on these loans. The highest amount owed to the company by the director (loan plus accrued interest) at any point in the year was £200,827. The loans and accrued interest were repaid in full prior to the year end, and so the amount due from the director to the company at 31 March 2024 was £nil.

PLEXTEK SERVICES LIMITED

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

28. Controlling party

The ultimate controlling parties are the owner-directors of Plextek Services Limited.