REGISTERED NUMBER: 00513621 (England and Wales)

Strategic Report, Report of the Directors and Financial Statements for the Year Ended 31 December 2023 for S.A.V. United Kingdom Limited

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for the Year Ended 31 December 2023

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S.A.V. United Kingdom Limited

Company Information
for the Year Ended 31 December 2023

DIRECTORS:	L C Fabricius J O Hansen
SECRETARY:	L C Fabricius
REGISTERED OFFICE:	Scandia House Boundary Road Woking Surrey GU21 5BX
REGISTERED NUMBER:	00513621 (England and Wales)
AUDITORS:	Menzies LLP Chartered Accountants 1st Floor Midas House 62 Goldsworth Road Woking Surrey GU21 6LQ

Strategic Report
for the Year Ended 31 December 2023

The directors submit their strategic report of S.A.V. United Kingdom Limited (Company Registration No. 00513621) for the year ended 31 December 2023.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of the supply of heating and plumbing systems and the components therein.

REVIEW OF THE BUSINESS

The company's performance in the year continued to be impacted by the current global supply chain issues causing projects to be delayed. Despite this, turnover increased slightly compared to the prior year £30,471,789 (2022: £28,140,000), an increase of 8.3%.

The gross profit margin was similar at 23.9% (2022: 24.2%) and as such gross profit increased in proportion from £6,812,317 to £7,281,277.

The company maintained its level of expenditure to ensure it has the infrastructure for future growth consequently despite the small increase in turnover the operating profit decreased from £1,246,108 to £959,035.

The company's balance sheet remained strong net assets increasing from £8,166,952 to £8,597,098.

The strategic objective of the company continues to be the leading provider of innovative solutions to improve energy efficiency and energy performance in UK buildings.

FUTURE DEVELOPMENTS

The company, like many businesses continues to be impacted by inflationary pressures and higher interest rates and so uncertainty in the construction industry. It is therefore forecasting for margins to be under pressure and for operational and logistical challenges during 2024. However the company has a strong and growing order book and so remains positive for the year ahead.

KEY PERFORMANCE INDICATORS

The company considers its Key Performance Indicators to be turnover, gross profit, net assets and cash.

£	£	£	2023	2022	2021
Sales			30,471,789	28,140,000	32,881,943
Gross profit			7,281,277	6,812,317	8,040,877
Gross profit margin			23.9%	24.2%	24.5%
Net assets			8,597,098	8,166,952	7,175,525
Cash			1,707,415	119,403	1,975,476

PRINCIPAL RISKS AND UNCERTAINTIES

The company's principal financial instruments comprise bank balances, bank loans, inventories, trade debtors, the commercial financing of its invoices, trade creditors and forward contracts. The main purpose of these instruments is to provide funds for the company's operations. Their existence exposes the company to a number of financial risks, which have been considered and are managed as follows:

Credit risk

The company has a significant and diverse customer base, ranging from large contractors to individual operations. This, combined with undertaking stringent credit checks and the implementation of further safeguards, where necessary, minimises credit risk.

Operational risk:

Operational risk is the risk of a direct or indirect loss resulting from the inadequacies or failures of processes or controls due to technology, staff, organisation or external factors. To monitor and control operational risk, the company maintains a system of comprehensive policies and a control framework which is designed to provide a sound and well-controlled operational environment.

Liquidity risk:

Liquidity risk is the risk that the company will have insufficient resources to meet its financial liabilities as they fall due. The company's strategy to managing liquidity risk is to control its cash flow by utilising commercial financing of its invoices, secured by its book debts. The directors monitor this on a daily basis to maintain the company's cash flow and manage the timing of purchases of inventories.

Price risk:

Price risk is the risk that financial performance of the company will be adversely affected by pricing changes or price pressure from competitors. The company has managed this risk by securing long term contracts with its key suppliers that sets out defined parameters and pricing.

Interest rate risk:

Interest rate risk is the risk that the financial performance of the company will be adversely affected by adverse fluctuations on interest rates being charged to the company on its financial instruments. The company holds a number of bank loans with both variable and fixed rates of interest. The interest rate risk is managed by having four of the loans at fixed interest rates for the term of the loan, with the other two loans on a variable position, the directors monitor and assess its borrowings and the interest rate charged on an on going basis.

Currency risk:

Currency risk is the risk that the financial performance of the company will be adversely affected by fluctuations in foreign currencies used by the company. The company manages its exposure to short term fluctuations in currency with the use of forward exchange contracts to provide certainty over sterling values.

The directors review the principal risks and uncertainties facing the company on a regular basis and ensure systems and policies are continuously updated to reflect any changes, they work in an efficient manner to minimise those risks and help achieve the company's objectives.

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, performance and position are set out above.

After making enquiries, the directors have an expectation that the company's net assets as at 31 December 2023 of £8.6m and the company's cash position, forecasts and projections for a period of 12 months from the accounts signing date are more than sufficient to provide adequate resources to continue in operational existence for the foreseeable future. The directors have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis.

ON BEHALF OF THE BOARD:

J O Hansen - Director

27 September 2024

Report of the Directors
for the Year Ended 31 December 2023

The directors present their report with the financial statements of the company for the year ended 31 December 2023.

DIVIDENDS
The total distribution of dividends for the year ended 31 December 2023 was £nil (2022: £nil).

RESEARCH AND DEVELOPMENT
The company is engaged in ongoing research and development aimed at improving and developing the next generation of Combined Heat & Power (CHP) units and improving the energy efficiency and monitoring systems of heating systems.

The natural evolution of the energy efficiency has migrated into the broader challenge that the UK now encounters, described as The Energy Trilemma, which represents the over arching technological challenge and 3 key issues which face the UK;

Reducing carbon emissions
Cutting energy costs and tackling fuel poverty
Security of supply

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2023 to the date of this report.

L C Fabricius
J O Hansen

MATTERS INCLUDED IN THE STRATEGIC REPORT
The company has chosen to disclose information relating to future developments, financial risk assessment, principal activities and fair review of the business in the Strategic Report in accordance with Section 414C (11) of the Companies Act 2006.

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

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

- select suitable accounting policies and 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 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.

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

AUDITORS

Under section 487(2) of the Companies Act 2006, Menzies LLP 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.

ON BEHALF OF THE BOARD:

J O Hansen - Director

27 September 2024

Independent Auditors' Report to the Members of S.A.V. United Kingdom Limited

Opinion

We have audited the financial statements of S.A.V. United Kingdom Limited (the 'company') for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Auditors' Report thereon.

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

In preparing the financial statements, the directors are responsible for assessing the 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including:
- The Companies Act 2006;
- Financial Reporting Standard 102;
- UK employment legislation;
- UK health and safety legislation; and
- General Data Protection Regulations

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- We understood how the Company are complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
o Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud;
o Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
o Challenging assumptions and judgments made by management in its significant accounting estimates; and
o Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

Auditors' responsibilities for the audit of the financial statements (continued)
As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:
- Management override of controls to manipulate results;
- Posting of journals to the accounting software which are of a non-routine nature in terms of timing and amount; and
- Timing of revenue recognition.

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.

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.

Tom Woods FCA (Senior Statutory Auditor)
for and on behalf of Menzies LLP
Chartered Accountants
1st Floor
Midas House
62 Goldsworth Road
Woking
Surrey
GU21 6LQ

30 September 2024

Statement of Comprehensive Income for the Year Ended 31 December 2023

	Notes	31/12/23 £	31/12/22 £
REVENUE	3	30,471,789	28,140,000
Cost of sales		(23,190,512)	(21,327,683)
GROSS PROFIT		7,281,277	6,812,317
Distribution costs		(625,206)	(521,149)
Administrative expenses		(6,501,190)	(5,871,951)
		154,881	419,217
Other operating income	4	804,154	826,891
OPERATING PROFIT	6	959,035	1,246,108
Interest receivable and similar income	7	49,876	83,931
		1,008,911	1,330,039
Interest payable and similar expenses	8	(382,677)	(272,203)
PROFIT BEFORE TAXATION		626,234	1,057,836
Tax on profit	9	(196,088)	(66,409)
PROFIT FOR THE FINANCIAL YEAR		430,146	991,427
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		430,146	991,427

The notes form part of these financial statements

Statement of Financial Position
31 December 2023

	Notes	31/12/23 £	31/12/22 £
FIXED ASSETS			
Property, plant and equipment	10	10,574,473	10,714,330
Investments	11	198,314	198,314
		10,772,787	10,912,644
CURRENT ASSETS			
Inventories	12	2,769,106	3,750,463
Debtors	13	9,413,469	8,292,548
Cash at bank		1,707,415	119,403
		13,889,990	12,162,414
CREDITORS			
Amounts falling due within one year	14	(12,773,493)	(11,235,755)
NET CURRENT ASSETS		1,116,497	926,659
TOTAL ASSETS LESS CURRENT LIABILITIES		11,889,284	11,839,303
CREDITORS			
Amounts falling due after more than one year	15	(3,143,014)	(3,508,858)
PROVISIONS FOR LIABILITIES	20	(149,172)	(163,493)
NET ASSETS		8,597,098	8,166,952
CAPITAL AND RESERVES			
Called up share capital	21	50,000	50,000
Capital redemption reserve	22	10,344	10,344
Retained earnings	22	8,536,754	8,106,608
SHAREHOLDERS' FUNDS		8,597,098	8,166,952

The financial statements were approved by the Board of Directors and authorised for issue on 27 September 2024 and were signed on its behalf by:

J O Hansen - Director

The notes form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31 December 2023

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 January 2022	50,000	7,115,181	10,344	7,175,525
Changes in equity				
Total comprehensive income	-	991,427	-	991,427
Balance at 31 December 2022	50,000	8,106,608	10,344	8,166,952
Changes in equity				
Total comprehensive income	-	430,146	-	430,146
Balance at 31 December 2023	50,000	8,536,754	10,344	8,597,098

The notes form part of these financial statements

1. COMPANY INFORMATION

S.A.V. United Kingdom Limited is a private company domiciled and incorporated in England. The address of the company's registered office and principal place of business is Scandia House, Boundary Road, Woking, Surrey GU21 5BX.

The principle activity is disclosed in the strategic report.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006, including the provisions of the large and medium sized companies and groups (accounts and reports) regulations 2008, and under the historical cost convention, except for the modifications to a fair value basis on forward exchange contracts.

The financial statements are presented in Sterling (£), which is also the functional currency of the company.

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

- The requirements of section 33 Related Party Disclosures - key management remuneration.
- The requirements of section 7 Statement of Cash Flows.

Going concern
After reviewing the company's cash position, forecasts and projections for a period of 12 months from the accounts signing date, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Revenue
Revenue is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers in the ordinary nature of the business. Revenue is recognised when it and the associated costs can be reliably measured, future economic benefits are probable, and the risks and rewards of ownership have been transferred to the customer. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Revenue is stated net of Value Added Tax.

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2. ACCOUNTING POLICIES - continued

Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:-

Freehold buildings - over 50 years
Long leasehold - over 50 years
Fixtures, fittings and equipment - between 3 to 5 years
Motor vehicles - over 4 years

Freehold land is not depreciated.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the profit and loss account.

Impairment of fixed assets
Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairment losses are recognised in the profit and loss account.

Inventories
Inventories are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated normal selling price less further costs expected to be incurred to completion and disposal.

At each reporting date, the company assesses whether inventories are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of inventory over its estimate selling price less costs to complete and sell, is recognised as an impairment loss in profit or loss.

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

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

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

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

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

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2. ACCOUNTING POLICIES - continued

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

Foreign currency translation
Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Leased assets and obligations
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

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

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense in the period in which these are incurred.

The holiday year for the company ends at the reporting date and employees are not entitled to carry forward unused holiday.

Dividends
Dividends are recognised as liabilities once they are no longer at the discretion of the company.

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2. ACCOUNTING POLICIES - continued

Financial instruments
The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Debtors
Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where an arrangement with a debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occuring after the impairment loss was recognised, are recognised immediately in profit or loss.

Foreign exchange forward contracts
Foreign exchange forward contracts are initially measured at fair value on the date a forward contract is entered into and subsequently re-measured to fair value, at each reporting date. Fair value gains and losses are recognised in profit and loss.

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

Equity instruments
Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Creditors
Creditors which are payable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Borrowings
Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities
A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

continued...

2. ACCOUNTING POLICIES - continued

Critical accounting estimates and areas of judgement
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions
The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Valuation of inventories
Inventories are stated at the lower of cost and net realisable value. Estimates are made in respect of determining the net realisable value of inventories and so the amount of impairment losses. The directors have assessed the net realisable value of the company's inventories having regard to the age of the stock, the number of individual items held and the level of recent sales of stock lines. However the assessment of net realisable value is inherently subjective as it is made on the basis on previous sale activity which may in future not prove to be accurate.

3. REVENUE

The revenue and profit before taxation are attributable to the one principal activity of the company.

An analysis of revenue by class of business is given below:

	31/12/23	31/12/22
	£	£
Goods	28,904,810	26,673,098
Services	1,566,979	1,466,902
	30,471,789	28,140,000

In the year to 31 December 2023 less than 2% (2022: less than 1%) of the company's turnover was to markets outside the United Kingdom.

4. OTHER OPERATING INCOME

	31/12/23	31/12/22
	£	£
Management charge receivable	804,154	826,891

5. EMPLOYEES AND DIRECTORS

	31/12/23	31/12/22
	£	£
Wages and salaries	5,325,822	4,843,854
Social security costs	625,091	587,014
Other pension costs	158,206	118,589
	6,109,119	5,549,457

continued...

5. EMPLOYEES AND DIRECTORS - continued

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

	31/12/23	31/12/22
Management and administration	14	15
Sales and distribution	90	84
	104	99

	31/12/23	31/12/22
	£	£
Directors' remuneration	375,801	355,565

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	2	2

Information regarding the highest paid director is as follows:

	31/12/23	31/12/22
	£	£
Emoluments etc	197,557	186,754

6. OPERATING PROFIT

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

	31/12/23	31/12/22
	£	£
Depreciation - owned assets	356,829	383,831
Depreciation - assets on hire purchase contracts	2,451	-
Profit on disposal of fixed assets	(14,418)	(9,674)
Auditor's remuneration	20,750	18,225
Research and development	13,565	174,535
Stock - provision recognised / (reversed) in cost of sales	166,852	(140,728)

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	31/12/23	31/12/22
	£	£
Interest receivable	49,876	16,238
Gain on foreign exchange forward contracts	-	67,693
	49,876	83,931

continued...

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	31/12/23	31/12/22
	£	£
Bank interest	378,690	271,485
Hire purchase interest	776	718
Loss on foreign exchange forward contracts	3,211	-
	382,677	272,203

9. TAXATION

Analysis of the tax charge

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

	31/12/23	31/12/22
	£	£
Current tax:		
UK corporation tax	215,000	220,000
Prior year under / (over) provision	(4,591)	(183,177)
Total current tax	210,409	36,823
Deferred tax	(14,321)	29,586
Tax on profit	196,088	66,409

Reconciliation of total tax charge included in profit and loss

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

	31/12/23	31/12/22
	£	£
Profit before tax	626,234	1,057,836
Profit multiplied by the standard rate of corporation tax in the UK of 25% (2022 - 19%)	156,559	200,989
Effects of:		
Expenses not deductible for tax purposes	58,541	-
Income not taxable for tax purposes	-	(5,332)
Adjustments to tax charge in respect of previous periods	(4,591)	(183,177)
Other tax adjustments	(300)	14,690
Different tax rates	(14,121)	39,239
Total tax charge	196,088	66,409

continued...

10. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings freehold £	Long leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Totals £
Cost					
At 1 January 2023	7,552,260	4,006,789	1,661,190	359,334	13,579,573
Additions	84,881	-	52,570	81,972	219,423
Disposals	-	-	-	(32,588)	(32,588)
At 31 December 2023	7,637,141	4,006,789	1,713,760	408,718	13,766,408
Depreciation					
At 1 January 2023	814,968	335,892	1,439,154	275,229	2,865,243
Charge for year	119,762	80,334	115,758	43,426	359,280
Eliminated on disposal	-	-	-	(32,588)	(32,588)
At 31 December 2023	934,730	416,226	1,554,912	286,067	3,191,935
Net book value					
At 31 December 2023	6,702,411	3,590,563	158,848	122,651	10,574,473
At 31 December 2022	6,737,292	3,670,897	222,036	84,105	10,714,330

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
Cost	
Additions	47,447
At 31 December 2023	47,447
Depreciation	
Charge for year	2,451
At 31 December 2023	2,451
Net book value	
At 31 December 2023	44,996

The assets held under hire purchase contracts are secured by the related assets.

11. FIXED ASSET INVESTMENTS

Investments (neither listed nor unlisted) were as follows:

	31/12/23 £	31/12/22 £
Cost	198,314	198,314

Other investments represent works of art and similar objects held for their contribution to historical understanding and knowledge of energy efficiency and performance.

continued...

12. INVENTORIES

	31/12/23	31/12/22
	£	£
Stocks	2,769,106	3,750,463

At the year end the provision for stock impairment losses was £782,194 (2022: £615,342).

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/23	31/12/22
	£	£
Trade debtors	5,205,846	5,666,156
Amounts owed by group undertakings	1,106,700	1,040,460
Other debtors	2,227,336	1,158,453
Amounts due from related party	147,620	128,967
Foreign exchange forward contracts	-	67,693
Tax	455,734	-
Prepayments and accrued income	270,233	230,819
	9,413,469	8,292,548

At the year end the company had a provision of £101,017 (2022: £64,850) in respect of debtors due from customers who are known to be in financial difficulty and payment was overdue by more than three months.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/23	31/12/22
	£	£
Bank loans (see note 16)	398,249	375,783
Hire purchase contracts (see note 17)	14,414	-
Trade creditors	3,631,076	4,632,829
Amounts owed to group undertakings	2,936,484	2,855,403
Corporation tax	-	154,733
Other taxation and social security costs	1,038,876	974,390
Other creditors	4,329,689	1,937,062
Foreign exchange forward contracts	3,211	-
Accrued expenses	421,494	305,555
	12,773,493	11,235,755

Included within other creditors is an amount of £3,907,197 (2022: £1,711,274) which relates to invoice discounting and is secured by a charge over the company's book debts.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/12/23	31/12/22
	£	£
Bank loans (see note 16)	3,112,377	3,508,858
Hire purchase contracts (see note 17)	30,637	-
	3,143,014	3,508,858

continued...

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

Included within bank loans are seven loans which are repayable by monthly instalments. The loans are secured by way of a fixed charge over the land and buildings of the company.

Outstanding Loan Amount	Expiring	Interest Rate
75,943	May 2025	3% over base
60,865	January 2026	3.45% over base
358,113	June 2030	5.26% Fixed
284,761	June 2030	5.35% Fixed
292,536	May 2031	4.87% Fixed
1,226,279	November 2032	4.86% Fixed
1,212,129	April 2035	4.03% Fixed
3,510,626		

16. LOANS

An analysis of the maturity of loans is given below:

	31/12/23 £	31/12/22 £
Amounts falling due within one year or on demand:		
Bank loans	398,249	375,783
Amounts falling due between one and two years:		
Bank loans - 1-2 years	383,498	392,280
Amounts falling due between two and five years:		
Bank loans - 2-5 years	1,097,066	1,091,839
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more than 5 years	1,631,813	2,024,739

continued...

17. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	31/12/23	31/12/22
	£	£
Gross obligations repayable:		
Within one year	18,216	-
Between one and five years	33,459	-
	51,675	-
Finance charges repayable:		
Within one year	3,802	-
Between one and five years	2,822	-
	6,624	-
Net obligations repayable:		
Within one year	14,414	-
Between one and five years	30,637	-
	45,051	-

18. SECURED DEBTS

Obligations under finance leases and hire purchase contracts are secured by related assets.

Included within other creditors is an amount of £3,907,197 (2022: £1,711,274) which relates to invoice finance and is secured by a charge over the company's book debts.

Bank loans of £3,510,626 (2022: £3,884,641) are secured by charges over the company's properties.

continued...

19. FINANCIAL INSTRUMENTS

The carrying amounts of the company's financial instruments at 31 December were:

	31/12/23	31/12/22
	£	£
Financial Assets:		
Measured at fair value through profit or loss	-	67,693
Financial liabilities:		
Measured at fair value through profit or loss	3,211	-

86% (2022: 85%) of company purchases relates to transactions conducted in Euros. As a consequence the company uses foreign exchange forward contracts to manage foreign change risk of future transactions and cash flows.

The contracts are based on available market data. The company does not adopt hedge accounting for forward exchange contracts, consequently, fair value gains and losses are recognised in profit and loss.

The total value of outstanding foreign exchange forward contracts that the company had committed to at the year end was £4,123,685 (2022: £6,130,727). The loss arising on this at the year end was £3,211 (2022: £67,693 gain).

20. PROVISIONS FOR LIABILITIES

	31/12/23	31/12/22
	£	£
Deferred tax	149,172	163,493

	Deferred tax
	£
Balance at 1 January 2023	163,493
Credit to Statement of Comprehensive Income during year	(14,321)
Balance at 31 December 2023	149,172

Deferred tax has arisen due to:

	31/12/23	31/12/22
	£	£
Accelerated capital allowances	149,975	146,571
Fair value of foreign exchange forward contract	(803)	16,922
	149,172	163,493

The deferred tax provision relates principally to accelerated capital allowances. The timing of the reversal of the provision is uncertain due to the offset of excess depreciation of existing assets and accelerated capital allowances being claimed on future purchases.

continued...

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/12/23 £	31/12/22 £
50,000	Ordinary	£1	50,000	50,000

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

22. RESERVES

Reserves of the company represent the following:

Capital redemption reserve
The nominal value of shares repurchased at the end of the reporting period.

Retained earnings
The cumulative profit and loss net of distributions to owners.

23. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme whose assets are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company during the year and amounted to £158,206 (2022: £118,589). The year end liability in respect of the scheme is £36,813 (2022: £31,855).

24. CONTROL

The company's ultimate and immediate parent company is SAV Holding (UK) Limited, a company registered in England. SAV Holding (UK) Limited is controlled by its board of directors.

SAV Holding (UK) Limited is the smallest and largest group for which consolidated accounts including this company are prepared. Copies of the financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ. The registered address of SAV Holding (UK) Limited is the same as for this company.

25. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

Included in other debtors is an amount of £1,700,000 (2022: £906,100) due from Mr L Fabricius, and an amount of £410,000 (2022: £198,796 creditor) due from Mr J Hansen. Both are directors of the company. The maximum overdrawn positions of their loan accounts in the year were £1,700,000 (2022: £906,100) and £410,000 (2022: £198,796) respectively. During the year interest of £30,938 (2022: £11,500) and £7,412 (2022: £1,333) was charged to Mr L Fabricius and Mr J Hansen respectively.

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26. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions provided and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

Administration and distribution expenses of £771,680 (2022: £799,409) were recharged to E C Power GB Limited ("ECP"), a fellow subsidiary. At the year end S.A.V. United Kingdom Limited ("SAV UK") owed £2,501,682 to ECP (2022: £2,855,403).

The company invoices customers on behalf of ECP. These are treated as sales within the related companies and therefore excluded from sales in the accounts of S.A.V. United Kingdom Limited.

The company trades with a group joint venture company; Kurve Technologies Limited ("Kurve"). During the year sales of £67,374 (2022: £32,796) and purchases of £53,292 (2022: £59,690) were made. In addition, SAV UK recharged expenses of £32,474 (2022: £27,482) to Kurve. At the year end Kurve owed SAV UK £147,620 (2022: £128,967).

During the year the company paid contributions of £nil (2022: £nil) into the SAV Directors Pension Scheme. The beneficiaries of the SAV Directors Pension Scheme are Mr & Mrs L Fabricius and Mr & Mrs J Hansen.

Remuneration of £155,948 (2022: £135,762) was paid to family members of the directors.

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