

**Registered number: 01935773**

**SAFTRONICS LIMITED**

**UNAUDITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**TUESDAY**



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**19/12/2023**

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**COMPANIES HOUSE**

## **SAFTRONICS LIMITED**

### **COMPANY INFORMATION**

**Directors**

A W Dallas  
M Livingston  
I R MacGregor  
M J Mathers  
A C Matheson (resigned 18 August 2023)  
S R McLachlan  
J P A Robinson (resigned 27 April 2023)  
M P Todd

**Company secretary**

J I MacGregor (resigned 18 August 2023)

**Registered number**

01935773

**Registered office**

Pearson Street  
Leeds  
West Yorks  
LS10 1BQ

## **SAFTRONICS LIMITED**

### **CONTENTS**

	Page
<b>Directors' report</b>	1
<b>Directors' responsibilities statement</b>	2
<b>Statement of comprehensive income</b>	3
<b>Balance sheet</b>	4 - 5
<b>Statement of changes in equity</b>	6
<b>Notes to the financial statements</b>	7 - 14

## **SAFTRONICS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their report and the financial statements for the year ended 31 March 2023.

#### **Directors**

The directors who served during the year were:

A W Dallas  
M Livingston  
I R MacGregor  
M J Mathers  
A C Matheson (resigned 18 August 2023)  
S R McLachlan  
J P A Robinson (resigned 27 April 2023)  
M P Todd

#### **Post balance sheet events**

On 18 August 2023, RSE Water Technologies Limited, an intermediate holding company of Safftronics Limited and the immediate parent company of Ross-Shire Engineering Limited, along with its minority shareholders disposed of their investment in RSE. Envoy Capital Management Limited along with senior management rolled back into the new group along with funds advised by MML UK Advisor LLP, with Broadway Bidco Limited becoming the immediate parent undertaking, and Broadway Topco Limited as ultimate parent company.

The transaction was funded via a combination of equity, shareholder loans and new bank funding. This resulted in the original facility which the group were party to through Envoy Capital Management Limited being repaid in full, and a new banking facility entered into at Broadway Bidco Limited.

#### **Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



.....  
**I R MacGregor**  
Director

Date: 14 December 2023

## **SAFTRONICS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2023**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

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

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

**SAFTRONICS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £000	2022 £000
Turnover	6,797	8,809
Cost of sales	(5,330)	(6,569)
<b>Gross profit</b>	<b>1,467</b>	<b>2,240</b>
Administrative expenses	(1,853)	(2,104)
Other operating income	460	-
<b>Operating profit</b>	<b>74</b>	<b>136</b>
Tax on profit	(3)	(15)
<b>Profit for the financial year</b>	<b>71</b>	<b>121</b>

There was no other comprehensive income for 2023 (2022 - £nil).

The notes on pages 7 to 14 form part of these financial statements.

**SAFTRONICS LIMITED****REGISTERED NUMBER:01935773****BALANCE SHEET  
AS AT 31 MARCH 2023**

	Note	2023 £000	2022 £000
<b>Fixed assets</b>			
Tangible assets	4	225	214
		<u>225</u>	<u>214</u>
<b>Current assets</b>			
Stocks		183	222
Debtors: amounts falling due within one year	5	3,130	3,639
Cash at bank and in hand	6	1	20
		<u>3,314</u>	<u>3,881</u>
Creditors: amounts falling due within one year	7	(1,310)	(1,937)
		<u>2,004</u>	<u>1,944</u>
<b>Net current assets</b>		<u>2,004</u>	<u>1,944</u>
<b>Total assets less current liabilities</b>		<u>2,229</u>	<u>2,158</u>
<b>Net assets</b>		<u>2,229</u>	<u>2,158</u>
<b>Capital and reserves</b>			
Called up share capital		7	7
Profit and loss account		2,222	2,151
		<u>2,229</u>	<u>2,158</u>

**SAFTRONICS LIMITED**

**REGISTERED NUMBER:01935773**

**BALANCE SHEET (CONTINUED)  
AS AT 31 MARCH 2023**

The directors consider that the company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

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



.....  
**I R MacGregor**  
Director

Date: 14 December 2023

The notes on pages 7 to 14 form part of these financial statements.



**SAFTRONICS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital £000	Profit and loss account £000	Total equity £000
<b>At 1 April 2021</b>	7	2,030	2,037
<b>Comprehensive income for the year</b>			
Profit for the year	-	121	121
<b>At 1 April 2022</b>	7	2,151	2,158
<b>Comprehensive income for the year</b>			
Profit for the year	-	71	71
<b>At 31 March 2023</b>	7	2,222	2,229

The notes on pages 7 to 14 form part of these financial statements.

## **SAFTRONICS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

#### **1. General information**

Saftronics Limited is a private limited company incorporated in the United Kingdom. The registered office is Pearson Street, Leeds, West Yorks, LS10 1BQ. The principal activity of the company is the manufacturing and installation of Motor Control Centres (MCCs).

#### **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 Section 1A of Financial Reporting Standard 102, *the Financial Reporting Standard applicable in the UK and the Republic of Ireland* and the Companies Act 2006.

##### **2.2 Going concern**

The directors, having made due and careful enquiry, are of the opinion that the company has adequate working capital to execute its operations for at least a period of 12 months from the date of approval of these financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

##### **2.3 Foreign currency translation**

###### **Functional and presentation currency**

The company's functional and presentational currency is GBP.

###### **Transactions and balances**

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

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

## **SAFTRONICS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

#### **2. Accounting policies (continued)**

##### **2.4 Revenue**

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

##### **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 company 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.

##### **2.5 Operating leases: the company as lessee**

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

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

##### **2.6 Borrowing costs**

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

##### **2.7 Pensions**

##### **Defined contribution pension plan**

The company contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

## **SAFTRONICS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

#### **2. Accounting policies (continued)**

##### **2.8 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

##### **2.9 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, on a reducing balance basis.

Depreciation is provided on the following basis:

Tenant's improvements	- Over the term of the lease
Plant and machinery	- 25% Reducing balance
Motor vehicles	- 50% Reducing balance
Fixtures and fittings	- 25% Reducing balance

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.

## **SAFTRONICS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

#### **2. Accounting policies (continued)**

##### **2.10 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.

##### **2.11 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.

##### **2.12 Cash and cash equivalents**

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

##### **2.13 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.

##### **2.14 Financial instruments**

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

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

#### **3. Employees**

The average monthly number of employees, including directors, during the year was 61 (2022 - 74).

**SAFTRONICS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**4. Tangible fixed assets**

	Tenant's improvements £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Other fixed assets £000	Total £000
<b>Cost or valuation</b>						
At 1 April 2022	212	56	38	46	33	385
Additions	22	14	6	7	-	49
At 31 March 2023	234	70	44	53	33	434
<b>Depreciation</b>						
At 1 April 2022	64	41	30	35	-	170
Charge for the year on owned assets	19	11	3	6	-	39
At 31 March 2023	83	52	33	41	-	209
<b>Net book value</b>						
At 31 March 2023	151	18	11	12	33	225
At 31 March 2022	148	15	8	11	33	215

**SAFTRONICS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023****5. Debtors**

	2023 £000	2022 £000
Trade debtors	672	609
Amounts owed by group undertakings	879	1,476
Other debtors	583	289
Prepayments and accrued income	49	90
Amounts recoverable on long term contracts	947	1,175
	<u>3,130</u>	<u>3,639</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

**6. Cash and cash equivalents**

	2023 £000	2022 £000
Cash at bank and in hand	1	20
Less: bank overdrafts	(220)	(112)
	<u></u>	<u></u>

**7. Creditors: Amounts falling due within one year**

	2023 £000	2022 £000
Bank overdrafts	221	112
Trade creditors	860	953
Amounts owed to group undertakings	-	526
Other taxation and social security	46	50
Other creditors	24	10
Accruals and deferred income	159	286
	<u>1,310</u>	<u>1,937</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

**8. Contingent liabilities**

At the year end and until 18 August 2023, RSE and certain subsidiaries were party to a cross guarantee with its then ultimate parent undertaking, Envoy Capital Management Limited ('ECM') and other companies within the Envoy Group. From 18 August 2023, RSE plus certain subsidiary companies are party to a cross guarantee with Broadway Bidco Limited.

## **SAFTRONICS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

#### **9. Pension commitments**

The company contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £100k (2022 - £128k). Contributions totalling £12k (2022 - £9k) were payable to the fund at the balance sheet date and are included in creditors.

#### **10. Commitments under operating leases**

At 31 March 2023 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £000	2022 £000
Not later than 1 year	116	124
Later than 1 year and not later than 5 years	411	428
Later than 5 years	200	300
	<u>727</u>	<u>852</u>

#### **11. Related party transactions**

The company has taken advantage of the exemption in FRS102 Section 1AC.35 from the requirement to disclose transactions with 100% owned subsidiaries.

During the year the company had net sales & purchases of £0.5m (2022 - £2.8m) from fellow subsidiaries that are not 100% owned within the group. The net balance with these companies at the year end is included within the respective debtor and creditor notes.

#### **12. Post balance sheet events**

On 18 August 2023, RSE Water Technologies Limited, an intermediate holding company of Safronics Limited and the immediate parent company of Ross-Shire Engineering Limited, along with its minority shareholders disposed of their investment in RSE. Envoy Capital Management Limited along with senior management rolled back into the new group along with funds advised by MML UK Advisor LLP, with Broadway Bidco Limited becoming the immediate parent undertaking, and Broadway Topco Limited as ultimate parent company.

The transaction was funded via a combination of equity, shareholder loans and new bank funding. This resulted in the original facility which the group were party to through Envoy Capital Management Limited being repaid in full, and a new banking facility entered into at Broadway Bidco Limited.



## **SAFTRONICS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

#### **13. Controlling party**

The company's immediate controlling party is Saffronics Holdings Limited, a company registered in the United Kingdom. The ultimate parent undertaking is Envoy Capital Management Limited, a company registered in the United Kingdom. The controlling party of Envoy Capital Management Limited is I R MacGregor.

Ross-Shire Engineering Limited, a company registered in the United Kingdom, is the parent undertaking of the smallest group of which Saffronics Limited is a member and for which consolidated Group financial statements are drawn up.

Envoy Capital Management Limited is the ultimate parent undertaking and the largest group of which Saffronics Limited is a member and for which consolidated group financial statements are drawn up.

The consolidated Group financial statements of Ross-Shire Engineering Limited and Envoy Capital Management Limited can be obtained from First Floor, Aurora House, 8 Inverness Campus, Inverness, IV2 5NA.