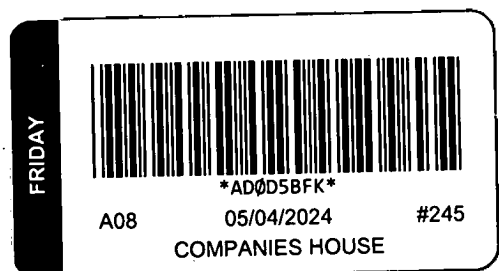


Company registration number: 08172439 (England and Wales)

**POWER ELECTRONICS CORP UK LTD  
ANNUAL REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**



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**Power Electronics Corp UK Ltd**  
**Company Information**

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**Directors**

David Salvo Lillo  
Abelardo Salvo Lillo  
Amadeo Salvo Lillo

**Company Number**

08172439

**Registered Office**

Tork Mk Unit 2 Madingley Court  
Chippenham Drive Kingston  
Milton Keynes  
MK10 0BZ

**Accountants**

Tax and Advise Ltd  
19 The Circle  
Queen Elizabeth Street  
London  
SE1 2JE

**Auditors**

Bright Grahame Murray  
Emperor's Gate  
114a Cromwell Road  
Kensington  
London  
SW7 4AG

**Power Electronics Corp UK Ltd**  
**Strategic Report**  
**For The Year Ended 31 December 2023**

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The directors present their strategic report for the year ended 31 December 2023.

**Review of the Business**

Turnover significantly increased to £48,556,577 (2022: £17,095,521) a result of growing demand in the renewables sector and improved sales of high-value products. The increased demand in higher-value and more complex products has resulted in a decrease in gross profit margins to 18%. (2022: 35%) due to the higher costs associated with production. The company made a profit before tax of £5,644,329 (2022: £3,822,445). Net assets at the year-end stood at £7,280,521 (2022: £2,979,143).

**Principal Risks and Uncertainties**

The principal risks and uncertainties that affect the company are deemed to be as follows:

**Market risk** – Due to the competitive nature of the industry, ensuring that customers' needs are met is a core philosophy of the company. The company therefore seeks to deliver goods and technical services in a timely manner in order to limit down-time and potential losses to its customers.

**Inventory risk** – This is managed by performing regular inventory reviews to identify both slow-moving stock, as well as insufficient reserves of high-demand line items. However, due to the nature and growth of the industry, there is an intrinsic risk of obsolescence for particular items depending on the development of technological advancements.

**Credit risk** - This is managed by carefully reviewing the credit terms offered to customers and performing frequent reconciliations of each customer ledger. Regular inter-departmental meetings are held to review outstanding invoices and assess the need to adjust terms or future pursue further action against delinquent customers. The company further mitigates its credit risk through an underlying agreement with its fellow subsidiary undertaking which guarantee losses the company may incur due to bad debts, net of any profit margin.

**Foreign exchange risk** - This is carefully managed by considering the local currencies in which to invoice customers and by keeping separate bank accounts in each currency.

Due to the nature of the company's internal control environment and its internal culture, the overall financial impact arising from these risks is deemed to be low. The company is proactive in managing all aspects of its operations in order to remove or mitigate any financial risks to an acceptable level.

**Key performance indicators**

The key performance indicators used by the company include turnover and gross profit margin. Turnover increased by 184% and gross profit increased by 50% due to the factors disclosed above. Key performance indicators are constantly monitored, analysed and reviewed on a regular basis.

On behalf of the board



David Salvo

Date March 21st 2024

**Power Electronics Corp UK Ltd**  
**Company No. 08172439**  
**Directors' Report For The Year Ended 31 December 2023**

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

**Principal Activity**

The company's principal activity continues to be that of wholesale of electronic and telecommunications equipment and parts.

**Results and dividends**

The results of the year are set out on page 8.

No ordinary dividends were paid (2022: £2,579,536). The directors do not recommend payment of a final dividend.

**Directors**

The directors who held office during the year were as follows:

David Salvo Lillo  
Abelardo Salvo Lillo  
Amadeo Salvo Lillo

**Statement of Directors' Responsibilities**

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 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 the financial statements the directors are required to:

- select suitable accounting policies 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Statement of Disclosure of Information to Auditors**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

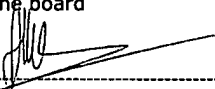
**Power Electronics Corp UK Ltd  
Directors' Report (continued)  
For The Year Ended 31 December 2023**

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**Independent Auditors**

The auditors, Bright Grahame Murray, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board



-----  
David Salvo Lillo  
Director

Date

**Independent Auditor's Report  
to the Members of  
Power Electronics Corp UK Ltd**

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**Opinion**

We have audited the financial statements of Power Electronics Corp UK Ltd for the year ended 31 December 2023 which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes of Equity, Statement of Cash Flows 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 Auditor's 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.

**Other Matter**

The corresponding figures are unaudited.

**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 entity's ability to continue as a going concern for a period of at least 12 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's 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. 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

**Independent Auditor's Report (continued)**  
**to the Members of**  
**Power Electronics Corp UK Ltd**

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**Matters on Which We Are Required to Report by Exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records or 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.

**Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3—4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's 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 auditor's 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:

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the UK Companies Act, tax legislation, employment legislation and health and safety legislation.
- We enquired of the director, reviewed correspondence with HMRC and reviewed director meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the director has in place to ensure compliance.
- We gained an understanding of the controls that the director has in place to prevent and detect fraud. We enquired of the director about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: revenue recognition, related parties outside normal course of business, management override and the valuation of stock.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the director about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our auditing accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



**Independent Auditor's Report (continued)**  
**to the Members of**  
**Power Electronics Corp UK Ltd**

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**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 that we are required to state to them in an auditor's 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.

*Ahsan Miraj*

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Ahsan Miraj (Senior Statutory Auditor)  
for and on behalf of Bright Grahame Murray, Statutory Auditor

Date 21 March 2024

Bright Grahame Murray  
Emperor's Gate  
114a Cromwell Road  
Kensington  
London  
SW7 4AG

**Power Electronics Corp UK Ltd**  
**Profit and Loss Account**  
**For The Year Ended 31 December 2023**

		<b>2023</b>	<b>2022</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>TURNOVER</b>	<b>3</b>	<b>48,556,577</b>	<b>17,095,521</b>
Cost of sales		(39,694,654)	(11,191,949)
<b>GROSS PROFIT</b>		<b>8,861,923</b>	<b>5,903,572</b>
Administrative expenses		(2,727,878)	(2,138,343)
Other operating income	<b>4</b>	16,400	-
<b>OPERATING PROFIT</b>	<b>5</b>	<b>6,150,445</b>	<b>3,765,229</b>
Exceptional items	<b>20</b>	(212,127)	(996)
Other interest receivable and similar income	<b>9</b>	17,245	58,875
Interest payable and similar charges	<b>10</b>	(311,235)	(663)
<b>PROFIT BEFORE TAXATION</b>		<b>5,644,329</b>	<b>3,822,445</b>
Tax on Profit	<b>11</b>	(1,342,951)	(725,862)
<b>PROFIT AFTER TAXATION BEING PROFIT FOR THE FINANCIAL YEAR</b>		<b>4,301,378</b>	<b>3,096,583</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.  
The notes on pages 13 to 20 form part of these financial statements.

**Power Electronics Corp UK Ltd**  
**Statement of Comprehensive Income**  
**For The Year Ended 31 December 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
PROFIT FOR THE FINANCIAL YEAR	4,301,378	3,096,583
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>4,301,378</u>	<u>3,096,583</u>

The notes on pages 13 to 20 form part of these financial statements.

**Power Electronics Corp UK Ltd**  
**Balance Sheet**  
**As At 31 December 2023**

		2023		2022	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Assets	12		10,946		7,421
			<b>10,946</b>		<b>7,421</b>
<b>CURRENT ASSETS</b>					
Stocks	13	1,407,667		894,171	
Debtors	14	12,045,042		10,492,909	
Cash at bank and in hand		1,987,730		1,821,011	
		<b>15,440,439</b>		<b>13,208,091</b>	
<b>Creditors: Amounts Falling Due Within One Year</b>	15	<b>(8,170,864)</b>		<b>(10,236,369)</b>	
<b>NET CURRENT ASSETS (LIABILITIES)</b>			<b>7,269,575</b>		<b>2,971,722</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>7,280,521</b>		<b>2,979,143</b>
<b>NET ASSETS</b>			<b>7,280,521</b>		<b>2,979,143</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		1		1
Profit and Loss Account			7,280,520		2,979,142
<b>TOTAL EQUITY</b>			<b>7,280,521</b>		<b>2,979,143</b>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

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



David Salvo Lillo  
Director

Date

Company registration number 08172439 (England and Wales)

The notes on pages 13 to 20 form part of these financial statements.

**Power Electronics Corp UK Ltd**  
**Statement of Changes in Equity**  
**For The Year Ended 31 December 2023**

	<b>Share Capital</b>	<b>Profit and Loss Account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
As at 1 January 2022	1	2,462,095	2,462,096
Profit for the year and total comprehensive income	-	3,096,583	3,096,583
Dividends paid	-	(2,579,536)	(2,579,536)
As at 31 December 2022 and 1 January 2023	1	2,979,142	2,979,143
Profit for the year and total comprehensive income	-	4,301,378	4,301,378
As at 31 December 2023	1	7,280,520	7,280,521

The notes on pages 13 to 20 form part of these financial statements.

**Power Electronics Corp UK Ltd**  
**Statement of Cash Flows**  
**For The Year Ended 31 December 2023**

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net cash generated from operations	<b>1</b>	1,193,906	2,796,822
Interest paid		(311,234)	(663)
Tax paid		(724,419)	(306,000)
Net cash generated from operating activities		<u>158,253</u>	<u>2,490,159</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		(8,780)	(6,187)
Interest received		17,245	58,875
Net cash generated from investing activities		<u>8,465</u>	<u>52,688</u>
<b>Cash flows from financing activities</b>			
Equity dividends paid		-	(2,579,536)
Increase/(decrease) in cash and cash equivalents		166,718	(36,689)
Cash and cash equivalents at beginning of year	<b>2</b>	<u>1,821,011</u>	<u>1,857,700</u>
Cash and cash equivalents at end of year	<b>2</b>	<u><u>1,987,729</u></u>	<u><u>1,821,011</u></u>

The notes on pages 13 to 20 form part of these financial statements.

**Power Electronics Corp UK Ltd**  
**Notes to the Statement of Cash Flows**  
**For The Year Ended 31 December 2023**

**1. Reconciliation of profit for the financial year to cash generated from operations**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	4,301,378	3,096,583
Adjustments for:		
Tax on profit	1,342,951	725,862
Interest expense	311,234	663
Interest income	(17,245)	(58,875)
Depreciation of tangible assets	5,254	3,408
Movements in working capital:		
Increase in stocks	(513,496)	(181,239)
Increase in trade and other debtors	(1,554,121)	(9,884,728)
(Decrease)/increase in trade and other creditors	(2,682,049)	9,095,148
Net cash generated from operations	<u>1,193,906</u>	<u>2,796,822</u>

**2. Cash and cash equivalents**

Cash and cash equivalents, as stated in the Statement of Cash Flows, relates to the following items in the Balance Sheet:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>1,987,730</u>	<u>1,821,011</u>
Cash and cash equivalents as stated in the Statement of Cash Flows	<u>1,987,730</u>	<u>1,821,011</u>

**3. Analysis of changes in net funds**

	<b>As at 1 January 2023</b>	<b>Cash flows</b>	<b>As at 31 December 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>1,821,011</u>	<u>166,719</u>	<u>1,987,730</u>
Cash and cash equivalents	<u>1,821,011</u>	<u>166,719</u>	<u>1,987,730</u>

The notes on pages 13 to 20 form part of these financial statements.

**Power Electronics Corp UK Ltd**  
**Notes to the Financial Statements**  
**For The Year Ended 31 December 2023**

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## **1. Company Information**

Power Electronics Corp UK Ltd is a private company, limited by shares, incorporated in England & Wales, registered number 08172439. The registered office is Tork Mk Unit 2 Madingley Court, Chippenham Drive Kingston, Milton Keynes, MK10 0BZ. The prior year figures are unaudited.

## **2. Accounting Policies**

### **2.1. Basis of Preparation of Financial Statements**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historic cost convention.

### **2.2. Going Concern Disclosure**

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the director continues to adopt the going concern basis of accounting in preparing the financial statements.

### **2.3. Significant judgements and estimations**

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### **Recoverability of debtors**

Trade and other debtors are assessed for indicators of impairment at each reporting year end date.

The director applies his judgment in considering the likely recoverability of trade and other debtors outstanding at the year end to ensure that a provision is made against any uncertain balances. In arriving at a suitable provision, regard is given to the age profile of the debt and an assessment is made by the director based upon the particular circumstances of each matter.

### **Provisions**

The amount recognised as a provision, including tax, legal, contractual and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. The group assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements.

### **2.4. Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

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

### **Rendering of services**

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.



**Power Electronics Corp UK Ltd**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 31 December 2023**

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**2.5. Tangible Fixed Assets and Depreciation**

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & Machinery	25% Straight Line
Fixtures & Fittings	20% Straight Line
Office Equipment	25% Straight Line

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 credited or charged to profit or loss.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

**2.6. Stocks and Work in Progress**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Cost is determined using the first-in, first-out method. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Work in progress is reflected in the accounts on a contract-by-contract basis by recording turnover and related costs as contract activity progresses.

At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired, the identified stock is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

**2.7. Cash and Cash Equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**2.8. Financial Instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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.

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.

**2.9. Foreign Currencies**

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**Power Electronics Corp UK Ltd**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 31 December 2023**

## **2.10. Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

## **2.11. Provisions and Contingencies**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

## **3. Turnover**

Analysis of turnover by class of business is as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Extension of warranty	-	11,200
Transportation Income	1,385,109	-
Miscellaneous Income	480,795	803,927
Sale of Goods	44,306,574	14,587,690
Sale of Services	2,384,099	1,692,704
	<u>48,556,577</u>	<u>17,095,521</u>

Analysis of turnover by geographical market is as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
United Kingdom	48,548,463	17,095,006
Europe	8,114	515
	<u>48,556,577</u>	<u>17,095,521</u>

**Power Electronics Corp UK Ltd**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 31 December 2023**

**4. Other Operating Income**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Other operating income	16,400	-
	<u>16,400</u>	<u>-</u>

**5. Operating Profit**

The operating profit is stated after charging:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bad debts	-	(9,403)
Depreciation of tangible fixed assets	5,254	3,408
	<u>5,254</u>	<u>3,408</u>

**6. Auditor's Remuneration**

Remuneration received by the company's auditors and their associates during the year was as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Audit Services</b>		
Audit of the company's financial statements	17,500	-
	<u>17,500</u>	<u>-</u>

**7. Staff Costs**

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,448,111	1,086,411
Social security costs	160,331	117,811
Other pension costs	27,049	20,328
	<u>1,635,491</u>	<u>1,224,550</u>

**8. Average Number of Employees**

Average number of employees, including directors, during the year was as follows.

	<b>2023</b>	<b>2022</b>
Office and administration	32	28
	<u>32</u>	<u>28</u>

**9. Interest Receivable and Similar Income**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	16	-
Interest on short term deposits	17,229	1,422
Foreign Exchange Gain	-	57,453
	<u>17,245</u>	<u>58,875</u>

**Power Electronics Corp UK Ltd**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 31 December 2023**

**10. Interest Payable and Similar Charges**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Foreign exchange loss	162,769	2
Interest Payable-Other	68,890	661
Other finance charges	79,576	-
	<u>311,234</u>	<u>663</u>

**11. Tax on Profit**

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

	<b>2023</b>	<b>Tax Rate</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
				<b>£</b>	<b>£</b>
<b>Current tax</b>					
UK Corporation Tax	23.52%		19.0%	1,342,951	725,862
Total tax charge for the period				<u>1,342,951</u>	<u>725,862</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit and the standard rate of corporation tax as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Profit before tax	<u>5,644,329</u>	<u>3,822,445</u>
Tax on profit at 23.52% (UK standard rate)	1,327,576	726,265
Permanent disallowable	17,440	773
Timing differences	(2,065)	(1,176)
Total tax charge for the period	<u>1,342,951</u>	<u>725,862</u>

**12. Tangible Assets**

	<b>Plant &amp; Machinery</b>	<b>Fixtures &amp; Fittings</b>	<b>Office Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
As at 1 January 2023	12,148	3,570	14,412	30,130
Additions	-	-	8,780	8,780
As at 31 December 2023	<u>12,148</u>	<u>3,570</u>	<u>23,192</u>	<u>38,910</u>
<b>Depreciation</b>				
As at 1 January 2023	12,148	2,846	7,715	22,709
Provided during the period	-	339	4,916	5,255
As at 31 December 2023	<u>12,148</u>	<u>3,185</u>	<u>12,631</u>	<u>27,964</u>
<b>Net Book Value</b>				
As at 31 December 2023	<u>-</u>	<u>385</u>	<u>10,561</u>	<u>10,946</u>
As at 1 January 2023	<u>-</u>	<u>724</u>	<u>6,697</u>	<u>7,421</u>

**Power Electronics Corp UK Ltd**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 31 December 2023**

**13. Stocks**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Finished goods	1,407,667	894,171
	<u>1,407,667</u>	<u>894,171</u>

**14. Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Trade debtors	10,602,115	8,668,250
Prepayments and accrued income	436,369	896,374
Advance to employees	15,563	9,000
Import VAT	96	96
Provision for unissued invoices	968,190	890,418
Net wages	-	1,988
Amounts owed by subsidiaries	-	515
	<u>12,022,333</u>	<u>10,466,641</u>
<b>Due after more than one year</b>		
Deposit	22,709	26,268
	<u>22,709</u>	<u>26,268</u>
	<u>12,045,042</u>	<u>10,492,909</u>

The balance of Trade debtors are after the net of the bad debt provision made during the year for £2,635,005.

**15. Creditors: Amounts Falling Due Within One Year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,085,937	4,610,497
Other creditors	180	8,265
Corporation tax	1,342,951	724,419
Taxation and social security	1,476,708	1,589,749
Accruals and deferred income	4,265,088	3,303,439
	<u>8,170,864</u>	<u>10,236,369</u>

**Power Electronics Corp UK Ltd**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 31 December 2023**

**16. Share Capital**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
1 Ordinary Shares of £ 1.000 each	1	1

Each share has full rights in the company with respect to voting, dividends and distributions.

**17. Dividends**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>On equity shares:</b>		
Final dividend paid	-	2,579,536
	-	2,579,536

**18. Related Party Disclosures**

Key management personnel received compensation of £88,956 during the year.

The ultimate parent company is Power Electronics International SL, a company incorporated in Spain. The company made sales amounting to £480,795 (2022: £803,927) during the year. The total amount outstanding as at 31st December 2023 is £2,693,985 (2022: £109,320) and is included in Trade debtors note 14 above.

During the year, the company made purchases amounting to £40,120,089 (2022: £11,305,323) from the group company, Power Electronics Espana SL, a company incorporated in Spain and 100% owned by Power Electronic International SL. The total amount outstanding as at 31st December 2023 is £959,218 (2022: £4,547,991) and is included in trade creditors note 15.

Also, during the year the company made sales amounting to £8,114 to a fellow subsidiary Power Electronics Ireland.

**19. Controlling Parties**

The immediate and ultimate parent undertaking is Power Electronics Internacional SI (incorporated in Spain). Its registered office is C/ Leonardo Da Vinci 24-26, Parque Tecnológico, Paterna, Valencia, Spain, 46980.

Copies of the group accounts may be obtained from the company's registered office.

**20. Exceptional Items**

During the period, the company recorded provisions for bad debts of £2,635,005 and received income from the fellow subsidiary of £2,422,878, both classified as exceptional items due to their one-time and non-recurring nature. The resulting net margin of £212,127 is recorded in the profit and loss account.

The company has a framework of agreement with a fellow subsidiary for supply of equipment. Under the terms of this agreement, the acceptance or rejection of goods placed by the company belongs to the fellow subsidiary and consequently the fellow subsidiary bears the risk of non-payment by the customer. Only the mark-up on the transaction is assumed by the company.