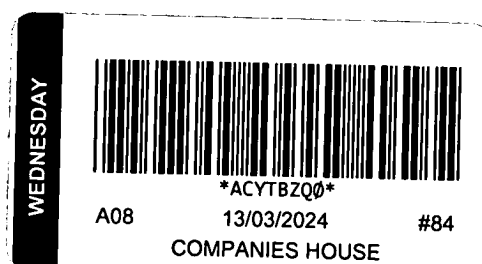


REGISTERED NUMBER: 03665668 (England and Wales)

**Report of the Directors and
Audited Financial Statements
for the Year Ended 31 December 2023
for
Saurer Fibrevision Limited**



Saurer Fibrevision Limited (Registered number: 03665668)

**Contents of the Financial Statements
for the year ended 31 December 2023**

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Saurer Fibrevision Limited

**Company Information
for the year ended 31 December 2023**

DIRECTORS:

Mr N R Mogg
Dr U Rondé

REGISTERED OFFICE:

Heather Close
Lyme Green Business Park
Macclesfield
Cheshire
SK11 0LR

REGISTERED NUMBER:

03665668 (England and Wales)

AUDITORS:

Bennett Brooks & Co Limited
Chartered Accountants
& Statutory Auditors
St George's Court
Winnington Avenue
Northwich
Cheshire
CW8 4EE

Saurer Fibrevision Limited (Registered number: 03665668)

**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.

DIRECTORS

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

Mr N R Mogg
Dr U Rondé

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 International Financial Reporting Standards as adopted by the UK. 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

The auditors, Bennett Brooks & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

DocuSigned by:

Nick Mogg

.....E28290E5F647AA7.....

Mr N R Mogg - Director

04-Mar-2024

Date:

Report of the Independent Auditors to the Members of Saurer Fibrevision Limited

Opinion

We have audited the financial statements of Saurer Fibrevision Limited (the 'company') for the year ended 31 December 2023 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 International Financial Reporting Standards (IFRSs) as adopted by the UK.

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 IFRSs as adopted by the UK; 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 Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has 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 Report of the Directors.

We have nothing to report in respect of the following matters where 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 and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

**Report of the Independent Auditors to the Members of
Saurer Fibrevision Limited**

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 a Report of the Auditors 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:

- Enquiry of management around actual and potential litigation and claims and instances of non-compliance with laws and regulations;
- Auditing the risk of management override of controls, through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations; and
- Review of board meeting minutes.

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 Report of the Auditors.

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 a Report of the Auditors 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.



Jason Leach FCA (Senior Statutory Auditor)
for and on behalf of Bennett Brooks & Co Limited
Chartered Accountants
& Statutory Auditors
St George's Court
Winnington Avenue
Northwich
Cheshire
CW8 4EE

Date: 4 March 2024

Saurer Fibrevision Limited (Registered number: 03665668)**Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2023**

	Notes	2023 £	2022 £
CONTINUING OPERATIONS			
Revenue	3	5,157,053	6,916,875
Cost of sales		(2,545,536)	(3,648,849)
GROSS PROFIT		2,611,517	3,268,026
Distribution costs		(85,900)	(171,030)
Administrative expenses		(2,324,747)	(2,467,623)
OPERATING PROFIT		200,870	629,373
Finance costs	5	(9,336)	(12,016)
Finance income	5	47,834	3,396
PROFIT BEFORE INCOME TAX	6	239,368	620,753
Income tax	7	(3,893)	(22,454)
PROFIT FOR THE YEAR		235,475	598,299
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		235,475	598,299

The notes form part of these financial statements

Saurer Fibrevision Limited (Registered number: 03665668)

Statement of Financial Position
31 December 2023

	Notes	2023 £	2022 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	9	469,700	469,700
Owned			
Intangible assets	10	104,175	60,496
Property, plant and equipment	11	149,432	209,775
Right-of-use			
Property, plant and equipment	11, 19	174,550	240,006
		<u>897,857</u>	<u>979,977</u>
CURRENT ASSETS			
Inventories	12	2,413,058	2,435,027
Trade and other receivables	13	324,591	562,639
Tax receivable		68,368	63,843
Cash and cash equivalents	14	1,796,251	2,242,489
		<u>4,602,268</u>	<u>5,303,998</u>
TOTAL ASSETS		<u>5,500,125</u>	<u>6,283,975</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	15	48	48
Share premium	16	2,424,176	2,424,176
Retained earnings	16	2,349,253	2,113,778
TOTAL EQUITY		<u>4,773,477</u>	<u>4,538,002</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	18	127,248	199,697
CURRENT LIABILITIES			
Trade and other payables	17	482,874	1,416,078
Financial liabilities - borrowings			
Interest bearing loans and borrowings	18	72,450	69,664
Provisions	20	44,076	60,534
		<u>599,400</u>	<u>1,546,276</u>
TOTAL LIABILITIES		<u>726,648</u>	<u>1,745,973</u>
TOTAL EQUITY AND LIABILITIES		<u>5,500,125</u>	<u>6,283,975</u>

04-Mar-2024

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

DocuSigned by:


E29290E5F6474A7.....
Mr N R Mogg - Director

The notes form part of these financial statements

Saurer Fibrevision Limited (Registered number: 03665668)**Statement of Changes in Equity
for the year ended 31 December 2023**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2022	48	1,815,479	2,424,176	4,239,703
Changes in equity				
Dividends	-	(300,000)	-	(300,000)
Total comprehensive income	-	598,299	-	598,299
Balance at 31 December 2022	48	2,113,778	2,424,176	4,538,002
Changes in equity				
Total comprehensive income	-	235,475	-	235,475
Balance at 31 December 2023	48	2,349,253	2,424,176	4,773,477

The notes form part of these financial statements

Saurer Fibrevision Limited (Registered number: 03665668)**Statement of Cash Flows
for the year ended 31 December 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	4,944	904,850
Lease interest paid		(9,336)	(12,016)
Tax paid		(8,418)	(90,000)
Warranties paid		(52,619)	(51,605)
Net cash from operating activities		<u>(65,429)</u>	<u>751,229</u>
Cash flows from investing activities			
Generation of intangible fixed assets		(54,235)	(26,239)
Purchase of property plant and equipment		(4,745)	(56,249)
Interest received		47,834	3,396
Net cash from investing activities		<u>(11,146)</u>	<u>(79,092)</u>
Cash flows from financing activities			
Payment of lease liabilities		(69,663)	(66,984)
Equity dividends paid		(300,000)	(500,000)
Net cash from financing activities		<u>(369,663)</u>	<u>(566,984)</u>
(Decrease)/increase in cash and cash equivalents		<u>(446,238)</u>	<u>105,153</u>
Cash and cash equivalents at beginning of year	2	2,242,489	2,137,336
Cash and cash equivalents at end of year	2	<u><u>1,796,251</u></u>	<u><u>2,242,489</u></u>

The notes form part of these financial statements

Saurer Fibrevision Limited (Registered number: 03665668)**Notes to the Statement of Cash Flows
for the year ended 31 December 2023****1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	2023	2022
	£	£
Profit before income tax	239,368	620,753
Depreciation charges	141,100	148,713
Increase/(decrease) in provisions	36,161	44,933
Finance costs	9,336	12,016
Finance income	(47,834)	(3,396)
	<u>378,131</u>	<u>823,019</u>
Decrease in inventories	21,969	222,295
Decrease in trade and other receivables	238,048	54,522
Decrease in trade and other payables	(633,204)	(194,986)
	<u>4,944</u>	<u>904,850</u>
Cash generated from operations	<u>4,944</u>	<u>904,850</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2023

	31.12.23	1.1.23
	£	£
Cash and cash equivalents	<u>1,796,251</u>	<u>2,242,489</u>

Year ended 31 December 2022

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	<u>2,242,489</u>	<u>2,137,336</u>

Saurer Fibrevision Limited (Registered number: 03665668)

**Notes to the Financial Statements
for the year ended 31 December 2023**

1. STATUTORY INFORMATION

Saurer Fibrevision Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The Company manufactures, distributes and sells textile instrumentation and monitoring equipment. It is also involved in the sale of engineering services.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements are presented in Sterling which is also the Company's functional currency.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

New and amended standards adopted by the company

The company applied the following amendments for the first time during their annual reporting period commencing 1 January 2023:

- Definition of Accounting Estimates: Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction: Amendments to IAS 12
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the company. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods on foreseeable future transactions.

Statement of compliance

The financial statements of Saurer Fibrevision Limited have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

Going concern

The Company meets its day-to-day working capital requirements through its cash reserves. The current economic conditions continue to create uncertainty, particularly over the level of demand for the Company's products. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current cash reserves and group borrowings. After making enquiries, 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.

Saurer Fibrevision Limited (Registered number: 03665668)**Notes to the Financial Statements - continued
for the year ended 31 December 2023****2. ACCOUNTING POLICIES - continued****Revenue recognition**

Revenue arises mainly from the manufacture and assembly of sensors. To determine whether to recognise revenue, the company follows a five step process as follows:

1. Identifying the contract with the customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

Revenue is measured at transaction price, stated net of VAT and other sales related taxes.

Revenue is recognised either at a point in time, or over-time as the Company satisfies performance obligations by transferring the promised services to its customers as described below.

(i) Fixed-fee contracted manufacture and assembly of sensors

For the significant majority of revenue transactions, the Company enters into individual signed, written contracts for the manufacture and assembly of sensors generally for a specific project in a particular geographical location. This is considered in most cases to be the only performance obligation and the transaction price which is specified in the contract is allocated entirely to this single performance obligation with revenue generally recognised at a point in time.

(ii) Maintenance fee contracts

The Company's second revenue stream comes from the supply of maintenance contracts. This involves both weekly and yearly visits in order to both advise and troubleshoot a customer. The performance obligation can therefore flex dependent on the customers needs but in the main is directly proportional to the visits made by the Company upon satisfactory service of the sensors with revenue generally recognised over time.

Interest income

Interest income is recognised in proportion to time, taking into account the principal outstanding and the effective interest rates applicable.

Cash and cash equivalents

Cash and cash equivalents included in the statement of financial position and the statement of cash flows includes cash in hand, cash held at call with banks and cash held at call with Group treasury. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. Goodwill represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

IAS 36 requires goodwill to be tested for impairment annually. Any impairment loss for goodwill is recognised directly in profit and loss and is not reversed in subsequent periods.

Intangible assets - patents and licences

Patents & licences, being the amount paid in connection with the acquisition of business in October 2008 has been fully amortised following an impairment review in 2012.

Saurer Fibrevision Limited (Registered number: 03665668)**Notes to the Financial Statements - continued
for the year ended 31 December 2023****2. ACCOUNTING POLICIES - continued****Intangible assets - research and development costs**

Research costs are charged to the income statement in the year which they are incurred and are presented within operating expenses. Internal development costs that are incurred during the development of significant and separately identifiable new technology are capitalised when it meets the criteria for IAS 38.

This is when the following criteria have been met:

- it is technically feasible to complete the project so that it will be available for use;
- management intends to complete the project and use or sell it;
- it can be demonstrated how the project will develop probable future economic benefits;
- adequate technical, financial and other resources to complete the project and to use or sell the project output are available;
- and
- expenditure attributable to the project during its development can be reliably measured.

Once the project is complete, development expenditure is amortised over its useful life. Other development expenditure that does not meet these criteria are recognised as an expense as incurred and presented within operating expenses.

Intangible assets - computer software

Computer software is stated as cost which represents the purchase price of software acquired and is stated at historical cost less accumulated amortisation and accumulated impairment losses. Computer software is amortised over a five year useful life.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is recognised at the following annual rate so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Computer equipment	50% straight line
Plant and machinery	20% straight line
Fixtures and fittings	20% straight line
ROU Asset	Straight line over lease term

Inventories

Inventories are initially valued at the lower of cost and net realisable value on a FIFO basis. Cost comprises direct materials. Adjustments are made to take account of items which have a realisable value below the historic purchase price and after making allowance for slow moving and obsolete items.

Taxation

Tax represents the sum of the tax currently payable or receivable and deferred tax.

(i) Current tax

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

(ii) Deferred tax

Deferred tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Saurer Fibrevision Limited (Registered number: 03665668)**Notes to the Financial Statements - continued
for the year ended 31 December 2023****2. ACCOUNTING POLICIES - continued****Leases**

IFRS 16 was adopted on 1 January 2019. At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The lease liability is initially measured at the present value of lease payments that were not paid at the commencement date, discounted using the company's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. If there is a remeasurement of the lease liability, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded directly in profit or loss if the carrying amount of the right of use asset is zero.

Short term leases and low value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term lease of machinery that have a lease term of 12 months or less or leases of low value assets. These lease payments are expensed on a straight-line basis over the lease term.

Employee benefit costs

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to the income statement in the period to which they relate.

Share capital

Ordinary shares are classified as equity.

Dividends

Final dividends to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

Deferred income

Deposits held in advance of sales are shown as deferred income in 'accruals & deferred income'. These are recognised as revenue when control of goods is passed to the customer.

Saurer Fibrevision Limited (Registered number: 03665668)**Notes to the Financial Statements - continued
for the year ended 31 December 2023****2. ACCOUNTING POLICIES - continued****Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Warranty provision

Provisions are made in respect of anticipated claims relating to certain products manufactured covering a period of up to five years from date of sale.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle basis, or to realise the assets and settle the liabilities simultaneously.

Financial assets - Initial recognition and subsequent measurement

Non-derivative financial assets are classified as either financial assets at amortised cost, fair value through profit and loss and fair value through other comprehensive income. The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. All financial assets of the company are held at amortised cost.

The Company's financial assets represent loans and receivables.

(i) Loans and receivables

Financial assets include trade and other receivables and cash and cash equivalents. Trade and other receivables are amounts due from the customers for services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are initially recorded at fair value and thereafter are measured at amortised cost using the effective interest rate. A loss allowance for expected credit losses is recognised based upon the lifetime expected credit losses in cases where the credit risk on trade and other receivables has increased significantly since initial recognition. In cases where the credit risk has not significantly increased, the company measures the loss allowance at an amount equal to the 12-month expected credit loss. This assessment is performed on a collective basis considering forward looking information.

Interest income is recognised applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Financial liabilities - Initial recognition and subsequent measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. The Company's borrowings, trade and all other payables fall into this category of financial instruments.

(i) Other financial liabilities

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are initially recorded at fair value and thereafter at amortised cost using the effective interest rate method.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

The Company's other financial liabilities comprises "trade and other payables".

Saurer Fibrevision Limited (Registered number: 03665668)**Notes to the Financial Statements - continued
for the year ended 31 December 2023****2. ACCOUNTING POLICIES - continued****Critical accounting estimates**

In the preparation of financial statements, the directors, in applying the accounting policies of the Company, make some judgements and estimates that affect the reported amounts in the financial statements. Both the impairment of the goodwill below and the warranty provision above are the main areas where judgement and accounting estimates could significantly affect the financial statements.

Impairment of goodwill

The Company tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated above. In calculating the recoverable amounts of goodwill, cash-generating units have been determined on value in use calculations. These calculations require the use of estimates, predominantly in arriving at expected future cash flows. There is significant headroom in the calculations and no reasonably possible scenario in which the Directors could foresee an impairment.

Impairment of intangible assets

Intangible assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised as the amount by which the asset's carrying amount exceeds the recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

Warranty provision

The calculation for warranty provisions include estimates as to the failure rate of products and the costs of repair. Should these estimates prove to be inaccurate, the provision may need to be adjusted. The calculations are prepared using a consistent methodology and given the amounts, any adjustment is unlikely to be material.

Stock provision

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the statement of comprehensive income. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the statement of comprehensive income. Inventories also include the cost price of expected returns.

The provision calculations include an estimate of the expected selling price of the products in order to determine the net realisable value. If these estimates prove to be incorrect, the provision would need to be increased or decreased accordingly. The provision at 31 December 2023 was £68,186 (2022: £117,317) as set out in Note 12.

Saurer Fibrevision Limited (Registered number: 03665668)**Notes to the Financial Statements - continued
for the year ended 31 December 2023****3. REVENUE****Revenue from contracts with customers
Segmental reporting**

Revenue recognised in the income statement is analysed as follows:

	2023 £	2022 £
Sale of goods - recognised at a point in time	5,132,712	6,745,950
Sale of services - recognised over time	24,341	170,925
Revenue from continuing operations	<u>5,157,053</u>	<u>6,916,875</u>

There were no discontinuing operations in 2023 or 2022.

The directors are the Company's chief operating decision makers and consider that the Company has one operating segment being the manufacture and sale of textile instrumentation and monitoring equipment.

Revenue by geographical area destination	2023 £	2022 £
China	3,619,542	4,388,822
India	690,092	1,255,300
Other Asia	215,601	492,865
Europe	501,506	598,282
Latin America	37,064	57,874
North America	67,078	108,289
Turkey	8,934	5,749
United Kingdom	17,236	9,694
Total	<u>5,157,053</u>	<u>6,916,875</u>

In 2023 there was one major customer that individually accounted for at least 10 per cent of total revenues (2022: one customer). The revenue relating to that customer in 2023 was £1,819,183 (2022: £3,430,200). All revenue originates in the UK and all non-current assets are held in GBP.

Saurer Fibrevision Limited (Registered number: 03665668)**Notes to the Financial Statements - continued
for the year ended 31 December 2023****4. EMPLOYEES AND DIRECTORS**

	2023	2022
	£	£
Wages and salaries	1,347,215	1,433,235
Social security costs	145,797	166,962
Defined contribution pension costs	126,122	106,183
	<u>1,619,134</u>	<u>1,706,380</u>

During the year an amount of £596,727 (2022: £642,179) included in the above figure related to research and development costs (note 6).

Average number of people employed

	2023	2022
Sales	5	5
Administration	6	6
Research & Development	9	9
Production	12	12
	<u>32</u>	<u>32</u>

Key management compensation

The following table details the aggregate compensation paid in respect of the key management.

	2023	2022
	£	£
Salaries and other short-term employee benefits	379,236	442,409
Post-employment benefits	47,919	41,051
	<u>427,155</u>	<u>483,460</u>

There are no defined benefit schemes for key management. Pension costs under defined contribution schemes are included in the post-employment benefits disclosed above.

	2023	2022
	£	£
Directors' remuneration	74,788	90,782
Directors' pension contributions to money purchase schemes	23,586	18,212
	<u></u>	<u></u>

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

	1	1
Money purchase schemes	<u></u>	<u></u>

A number of the directors of the Company were remunerated through another entity within the Group in the current and prior year, for which no recharge is made.

5. NET FINANCE INCOME

	2023	2022
	£	£
Finance income:		
Bank interest receivable	36,020	1,627
Other interest receivable	11,814	1,769
	<u>47,834</u>	<u>3,396</u>

Saurer Fibrevision Limited (Registered number: 03665668)

Notes to the Financial Statements - continued
for the year ended 31 December 2023

5. NET FINANCE INCOME - continued

	2023	2022
	£	£
Finance costs:		
ROU Asset Finance Costs	9,336	12,016
	<u> </u>	<u> </u>
Net finance income	38,498	(8,620)
	<u> </u>	<u> </u>

6. PROFIT BEFORE INCOME TAX

An analysis of expenses by nature is as follows:

	2023	2022
	£	£
Cost of inventories recognised as an expense	2,545,536	3,648,849
Depreciation - owned assets	65,088	71,433
Depreciation - right-of-use assets	65,456	65,456
Computer software amortisation	10,556	11,824
Auditors' remuneration	15,095	13,515
Auditors' remuneration for non audit work		
- Other assurance services	2,000	2,000
- Tax compliance services	1,000	1,000
Research and development costs recognised as an expense	595,681	675,792
Employee costs recognised as an expense	1,022,407	1,064,201
Other expenses	633,363	733,432
	<u> </u>	<u> </u>
	4,956,183	6,287,502
	<u> </u>	<u> </u>

7. INCOME TAX

Analysis of tax expense

	2023	2022
	£	£
Current tax:		
Tax	5,319	46,900
Overprovision in prior year	(1,426)	(24,446)
	<u> </u>	<u> </u>
Total tax expense in statement of profit or loss and other comprehensive income	3,893	22,454
	<u> </u>	<u> </u>

Factors affecting the tax expense

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

	2023	2022
	£	£
Profit before income tax	239,368	620,753
	<u> </u>	<u> </u>
Profit multiplied by the standard rate of corporation tax in the UK of 23.500% (2022 - 19%)	56,251	117,943
Effects of:		
Effect of unrecognised deferred tax	13,035	1,618
Effect of concessions (research and development and other allowances)	(63,991)	(72,661)
Overprovision of taxation	(1,426)	(24,446)
Expenses that are not deductible	24	-
	<u> </u>	<u> </u>
Tax expense	3,893	22,454
	<u> </u>	<u> </u>

Saurer Fibrevision Limited (Registered number: 03665668)**Notes to the Financial Statements - continued
for the year ended 31 December 2023****7. INCOME TAX - continued**

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. For the financial year ended 31 December 2023, the current weighted averaged tax rate was 23.5%. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

8. DIVIDENDS

	2023 £	2022 £
Ordinary A shares of 1p each Interim	-	234,035
Ordinary B shares of 1p each Interim	-	65,965
	<u>-</u>	<u>300,000</u>

The above figures represent dividends of £61.88 per share.

9. GOODWILL

	£
COST	
At 1 January 2023 and 31 December 2023	<u>769,700</u>
AMORTISATION	
At 1 January 2023 and 31 December 2023	<u>300,000</u>
NET BOOK VALUE	
At 31 December 2023	<u>469,700</u>
	£
COST	
At 1 January 2022 and 31 December 2022	<u>769,700</u>
AMORTISATION	
At 1 January 2022 and 31 December 2022	<u>300,000</u>
NET BOOK VALUE	
At 31 December 2022	<u>469,700</u>

The Company tests annually for impairment of goodwill. The method, key assumptions and results of the impairment review are detailed below:

Goodwill has been tested for impairment by assessing the value in use of the cash generating unit. The value in use assessment was based upon actual performance of the cash generating unit during the financial year as well as in recent years. The annual net cash inflows of the cash generating unit have consistently exceeded the goodwill valuation.

The value in use calculations, together with sensitivity analysis using reasonable assumptions, indicate significant headroom and therefore do not give rise to impairment concerns. Having completed the impairment review no impairments have been identified. Management does not consider that there is any reasonable downside scenario which would result in an impairment.

Saurer Fibrevision Limited (Registered number: 03665668)

Notes to the Financial Statements - continued
for the year ended 31 December 2023

10. INTANGIBLE ASSETS

	Patents and licences £	Development costs £	Computer software £	Totals £
COST				
At 1 January 2023	547,300	107,774	384,121	1,039,195
Additions	-	47,767	6,468	54,235
At 31 December 2023	547,300	155,541	390,589	1,093,430
AMORTISATION				
At 1 January 2023	547,300	58,837	372,562	978,699
Amortisation for year	-	-	10,556	10,556
At 31 December 2023	547,300	58,837	383,118	989,255
NET BOOK VALUE				
At 31 December 2023	-	96,704	7,471	104,175

	Patents and licences £	Development costs £	Computer software £	Totals £
COST				
At 1 January 2022	547,300	81,535	384,121	1,012,956
Additions	-	26,239	-	26,239
At 31 December 2022	547,300	107,774	384,121	1,039,195
AMORTISATION				
At 1 January 2022	547,300	58,837	360,738	966,875
Amortisation for year	-	-	11,824	11,824
At 31 December 2022	547,300	58,837	372,562	978,699
NET BOOK VALUE				
At 31 December 2022	-	48,937	11,559	60,496

11. PROPERTY, PLANT AND EQUIPMENT

	ROU Asset £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2023	649,106	365,456	42,606	46,223	1,103,391
Additions	-	2,745	-	2,000	4,745
At 31 December 2023	649,106	368,201	42,606	48,223	1,108,136
DEPRECIATION					
At 1 January 2023	409,100	183,402	22,222	38,886	653,610
Charge for year	65,456	51,678	5,863	7,547	130,544
At 31 December 2023	474,556	235,080	28,085	46,433	784,154
NET BOOK VALUE					
At 31 December 2023	174,550	133,121	14,521	1,790	323,982

Saurer Fibrevision Limited (Registered number: 03665668)

Notes to the Financial Statements - continued
for the year ended 31 December 2023

11. PROPERTY, PLANT AND EQUIPMENT - continued

	ROU Asset £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2022	649,106	331,845	30,786	42,705	1,054,442
Additions	-	40,911	11,820	3,518	56,249
Disposals	-	(7,300)	-	-	(7,300)
At 31 December 2022	649,106	365,456	42,606	46,223	1,103,391
DEPRECIATION					
At 1 January 2022	343,644	133,979	16,632	29,766	524,021
Charge for year	65,456	56,723	5,590	9,120	136,889
Eliminated on disposal	-	(7,300)	-	-	(7,300)
At 31 December 2022	409,100	183,402	22,222	38,886	653,610
NET BOOK VALUE					
At 31 December 2022	240,006	182,054	20,384	7,337	449,781

The right-of-use asset is in respect of leasehold property.

Assets with initial costs totalling £194,332 (2022: £140,376) are still in use by the Company but have been fully depreciated by the year end.

12. INVENTORIES

	2023 £	2022 £
Raw materials	1,727,989	1,981,411
Work-in-progress	127,731	104,387
Finished goods	557,338	349,229
	<u>2,413,058</u>	<u>2,435,027</u>

A provision totalling £68,186 has been recorded against inventory this year (2022: £117,317) in respect of slow moving stock items.

13. TRADE AND OTHER RECEIVABLES

	2023 £	2022 £
Current:		
Trade receivables	192,215	270,813
Amounts owed by group undertakings	25,628	101,378
VAT	55,783	125,778
Prepayments & accrued income	50,965	64,670
	<u>324,591</u>	<u>562,639</u>

Saurer Fibrevision Limited (Registered number: 03665668)**Notes to the Financial Statements - continued
for the year ended 31 December 2023****13. TRADE AND OTHER RECEIVABLES - continued**

At the year end, there was no provision for credit losses in either year.

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

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The Directors believe that the carrying value of trade and other receivables represents their fair value. In determining the recoverability of trade receivables, the Company considered any change in the credit quality of the receivables from the date credit was granted up to the reporting date.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. There is a provision of £Nil at 31 December 2023 for impairment loss against trade receivables (2022: £Nil).

Trade receivables disclosed above include amounts which are past due at the reporting date but against which the Company has not recognised an allowance for doubtful receivables as the amounts are still considered recoverable. The aging of trade receivables, including those balances past due but not impaired, is shown below:

	2023	2022
	£	£
Current (not past due)	20,723	162,888
0-30 days	3,629	22,516
31-60 days	76,047	4,243
61-90 days	-	35,415
90 days +	91,816	45,751
Less provision for impairment	-	-
	<u>192,215</u>	<u>270,813</u>

Details on the Company's credit risk management policies are shown in Note 24. The Company does not hold any collateral as security for its trade and other receivables.

14. CASH AND CASH EQUIVALENTS

	2023	2022
	£	£
Cash in hand	2,459	2,464
Bank deposit account	1,013,584	1,153,397
Bank accounts	780,208	1,086,628
	<u>1,796,251</u>	<u>2,242,489</u>

The bank deposit account disclosed above relates to monies held by the parent company in a Group treasury account and a short term fixed rate money market deposit.

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023	2022
			£	£
3,782	Ordinary A	1p	38	38
1,066	Ordinary B	1p	10	10
			<u>48</u>	<u>48</u>

Saurer Fibrevision Limited (Registered number: 03665668)**Notes to the Financial Statements - continued
for the year ended 31 December 2023****16. RESERVES**

	Retained earnings £	Share premium £	Totals £
At 1 January 2023	2,113,778	2,424,176	4,537,954
Profit for the year	235,475	-	235,475
At 31 December 2023	<u>2,349,253</u>	<u>2,424,176</u>	<u>4,773,429</u>

17. TRADE AND OTHER PAYABLES

	2023 £	2022 £
Current:		
Trade payables	173,648	358,993
Amounts owed to group undertakings	19,778	365,670
Social security & other taxes	34,442	34,227
Accruals & deferred income	255,006	657,188
	<u>482,874</u>	<u>1,416,078</u>

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

18. FINANCIAL LIABILITIES - BORROWINGS

	2023 £	2022 £
Current:		
Leases (see note 19)	<u>72,450</u>	<u>69,664</u>
Non-current:		
Leases (see note 19)	<u>127,248</u>	<u>199,697</u>

Terms and debt repayment schedule

	1 year or less £	1-2 years £	2-5 years £	Totals £
Leases	<u>72,450</u>	<u>75,348</u>	<u>51,900</u>	<u>199,698</u>

Lease liabilities are repayable by instalments.

Saurer Fibrevision Limited (Registered number: 03665668)**Notes to the Financial Statements - continued
for the year ended 31 December 2023****19. LEASING****Right-of-use assets****Property, plant and equipment**

	2023 £	2022 £
COST OR VALUATION		
At 1 January 2023	649,106	649,106
DEPRECIATION		
At 1 January 2023	409,100	343,644
Charge for year	65,456	65,456
	474,556	409,100
NET BOOK VALUE	174,550	240,006

Right-of-use assets with initial capitalised cost of £649,106 (2022: £649,106) relate to leased buildings.

Lease liabilities

Minimum lease payments fall due as follows:

	2023 £	2022 £
Gross obligations repayable:		
Within one year	79,000	79,000
Between one and five years	131,666	210,666
	210,666	289,666
Finance charges repayable:		
Within one year	6,550	9,336
Between one and five years	4,418	10,969
	10,968	20,305
Net obligations repayable:		
Within one year	72,450	69,664
Between one and five years	127,248	199,697
	199,698	269,361

20. PROVISIONS

	2023 £	2022 £
Other provisions	44,076	60,534
Analysed as follows:		
Current	44,076	60,534

Saurer Fibrevision Limited (Registered number: 03665668)**Notes to the Financial Statements - continued
for the year ended 31 December 2023****20. PROVISIONS - continued**

	Warranty provisions
	£
As at 1 January 2023	60,534
Additions	44,596
Used	(52,619)
Unused amounts reversed	(8,435)
As at 31 December 2023	44,076

Of the warranty provision, £5,217 (2022: £8,646) relates to items supplied several years ago under a five year warranty. The Company considers that the majority of issues with this item have now been rectified and any further utilisation will be predominantly in the next twelve months. As such, no discounting has been applied to the warranty provision.

The other element of the warranty provision, £38,859 (2022: £51,888) relates to specific bespoke projects where issues have become apparent and remedial work will be required.

21. ULTIMATE PARENT COMPANY

Saurer Intelligent Technology AG (incorporated in Switzerland) is the immediate parent company. Saurer Intelligent Technology Co. Ltd (incorporated in China) is the ultimate parent company.

22. RELATED PARTY DISCLOSURES

During the period under review the company was under the control of Saurer Intelligent Technology AG..

During the year the company incurred expenditure with group companies as follows:

Saurer Intelligent Technology AG - management charges of £36,513 (2022: £52,598)
 Saurer Intelligent Technology AG - trademark fees of £114,729 (2022: £129,193)
 Saurer Spinning Solutions GmbH & Co KG - selling and promotional costs of £19,742 (2022: £9,972)
 Saurer Spinning Solutions GmbH & Co KG - information technology costs of £28,958 (2022: £17,691)
 Saurer Spinning Solutions GmbH & Co KG - legal and consulting expenses of £295 (2022: £266)
 Saurer Spinning Solutions GmbH & Co KG - insurance costs of £434 (2022: £Nil)

As at 31 December 2023 the company owed Saurer Intelligent Technology AG £16,174 (2022: £365,670) and Saurer Spinning Solutions GmbH & Co KG £3,604 (2022: £Nil).

During the year the company made sales of £56,329 (2022: £254,258) to Saurer Technologies GmbH & Co KG Twisting Solutions and £25,628 (2022: £161,733) to Saurer (Jiangsu) Textile Machinery Co., Ltd, two companies with the same Ultimate Parent Company.

As at 31 December 2023 the company was owed £Nil (2022: £81,145) by Saurer Technologies GmbH & Co KG Twisting Solutions, £25,628 (2022: £13,913) by Saurer (Jiangsu) Textile Machinery Co., Ltd and £Nil (2022: £2,566) by Saurer Spinning Solutions GmbH & Co KG.

Saurer Spinning Solutions GmbH & Co KG acted as group treasury and held bank balances of £113,583 (2022: £401,769) on the company's behalf. The company received interest of £11,814 (2022: £1,769) relating to this balance.

23. ULTIMATE CONTROLLING PARTY

The directors consider there to be no ultimate controlling party.

Saurer Fibrevision Limited (Registered number: 03665668)**Notes to the Financial Statements - continued
for the year ended 31 December 2023****24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company is exposed through its operations to one or more of the following financial risks that arise from its use of financial instruments. A risk management programme has been established to protect the company against the potential adverse effects of these financial risks.

Categories of financial instruments

The carrying amount of financial assets and liabilities recognised at the balance sheet date of the reporting periods under review may also be categorised as follows:

	2023	2022
	£	£
Financial assets		
Financial assets measured at amortised cost		
Trade and other receivables	273,626	497,969
Cash and cash equivalents	1,796,251	2,242,489
	2,069,877	2,740,458
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade and other payables	227,868	758,890
Lease liabilities	199,698	269,361
	427,566	1,028,251
Net financial assets	1,642,311	1,712,207
Non-financial asset and liabilities		
Goodwill	469,700	469,700
Other intangible assets - owned	104,175	60,496
Property, plant and equipment - owned	149,432	209,775
Property, plant and equipment - right-of-use	174,550	240,006
Prepayments and accrued income	50,965	64,670
Inventories	2,413,058	2,435,027
Tax receivable/(payable)	68,368	63,843
Provisions	(44,076)	(60,534)
Accruals & deferred income	(255,006)	(657,188)
	3,131,166	2,825,795
Total equity	4,773,477	4,538,002

Capital risk management

The company aims to manage its overall capital so as to ensure that it continues to operate as a going concern, whilst providing an adequate return to its shareholders.

Risk management objectives

The company manages financial risks through a treasury function which monitors the risks and acts accordingly. The principal risks to which the company is exposed are credit risk, liquidity risk, interest rate risk and foreign exchange risk.

Credit risk

Credit risk is the risk that a counter-party will cause a financial loss to the Company by failing to discharge its obligation to the Company.

The Company manages its exposure to this risk by applying board approved limits to the amount of credit exposure to any one counter-party and employs strict minimum credit worthiness criteria as to the choice of counter-party thereby ensuring that there are no significant concentrations of credit risk.

The carrying amount of trade and other receivables represents the maximum credit exposure; therefore the maximum exposure to credit risk at the balance sheet date was £192,215 (2022: £270,813).

As at the date of signing these financial statements, the trade receivable balance has been substantially reduced and therefore credit exposure is considered minimal.

Saurer Fibrevision Limited (Registered number: 03665668)**Notes to the Financial Statements - continued
for the year ended 31 December 2023**

Credit risk also arises from balances of cash and cash equivalents held in financial institutions. With the exception of amounts held by group treasury, this amounts to £1,682,667 (2022: £1,840,720) and is held with a financial institution rated AA-.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with financial liabilities.

The responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short term and long-term funding and liquidity risks management requirements.

The Company manages liquidity risks by maintaining adequate reserves and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

Financial liabilities	Carrying Amount £	Less than 1 month £	Between 1 and 6 months £	Over 6 months £
At 31 December 2023				
Amounts owed to Group undertakings	19,778	19,778	-	-
Lease liabilities	199,698	5,930	29,940	163,828
Trade payables	173,648	126,913	21,160	25,575
Other payables	34,442	34,442	-	-
Total	427,566	187,063	51,100	189,403
At 31 December 2022				
Amounts owed to Group undertakings	365,670	65,670	300,000	-
Lease liabilities	269,361	5,805	29,027	234,529
Trade payables	358,993	275,793	33,306	49,894
Other payables	34,227	34,227	-	-
Total	1,028,251	381,495	362,333	284,423

Interest rate risk and interest rate sensitivity analysis

As at the balance sheet date there were no interest rate bearing financial instruments and therefore the company has no material exposure to interest rates. A change in interest rate at the reporting date would not affect the reported results.

Saurer Fibrevision Limited (Registered number: 03665668)

Notes to the Financial Statements - continued
for the year ended 31 December 2023

Foreign exchange risk

The Company's exposure to foreign currency risk is as follows. This is based on the carrying amount for monetary financial instruments:

Financial assets	Sterling £	Euro £	Swiss Franc £	US Dollars £	Total £
At 31 December 2023					
Cash and cash equivalents	1,767,638	16,493	12,120	-	1,796,251
Amounts due from group undertakings	25,628	-	-	-	25,628
Trade receivables	191,614	-	601	-	192,215
Other receivables	55,783	-	-	-	55,783
	<u>2,040,663</u>	<u>16,493</u>	<u>12,721</u>	<u>-</u>	<u>2,069,877</u>

At 31 December 2022					
Cash and cash equivalents	1,993,921	110,926	138,272	-	2,242,489
Amounts due from group undertakings	101,378	-	-	-	101,378
Trade receivables	226,538	11,839	11,278	21,158	270,813
Other receivables	125,778	-	-	-	125,778
	<u>2,447,615</u>	<u>122,135</u>	<u>149,550</u>	<u>21,158</u>	<u>2,740,458</u>

Financial liabilities	Sterling £	Euro £	Swiss Franc £	Indian Rupee £	US Dollars £	Total £
At 31 December 2023						
Trade payables	167,904	26	90	1,302	4,326	173,648
Lease liabilities	199,698	-	-	-	-	199,698
Amounts owed to Group Undertakings	-	19,778	-	-	-	19,778
Other payables	34,442	-	-	-	-	34,442
	<u>402,044</u>	<u>19,804</u>	<u>90</u>	<u>1,302</u>	<u>4,326</u>	<u>427,566</u>
At 31 December 2022						
Trade payables	358,993	-	-	-	-	358,993
Lease liabilities	269,361	-	-	-	-	269,361
Amounts owed to Group Undertakings	300,000	65,670	-	-	-	365,670
Other payables	34,227	-	-	-	-	34,227
	<u>962,581</u>	<u>65,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,028,251</u>

Foreign exchange sensitivity analysis

A 10 percent weakening of the foreign currencies against sterling would have increased equity by £369 this year.

The Company does not presently utilise swaps or forward contracts to manage its currency exposures, although such facilities are considered and may be used where appropriate in the future.