Registered number: 03998785

POSITEC (UK & IRELAND) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

POSITEC (UK & IRELAND) LIMITED

COMPANY INFORMATION

Director	Don Zhendong Gao
Registered number	03998785
Registered office	Fairfax House 20-22 London Road Newbury RG14 1JX
Independent auditor	James Cowper Kreston Audit Chartered Accountants and Statutory Auditor 2 Communications Road Greenham Business Park Greenham Newbury Berkshire RG19 6AB

POSITEC (UK & IRELAND) LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

Business review

The principal activity of the company is the distribution and sale of battery powered tools & technology for use by commercial landscapers alongside a range of residential outdoor power equipment and home improvements tools for the DIY market. The company is the main UK and Ireland trading arm for the Positec Group with headquarters in Suzhou, China. They develop, manufacture, supply and support the business across a range of products.

Key strategic decisions which could impact the future investments of the company are made by the director and local management in collaboration with the Positec Group leadership.

During 2024 the company saw encouraging growth in revenue of 44.7% to £21.7m compared to the prior year (£15m). The increase in year over year performance, notably came from two key business areas. New business, distributing Kress outdoor power equipment through the traditional channel and e-tail, distributing Worx Home and Garden power tools to consumers through modern retail.

Whilst the gross profit percentage of sale has increase by 2.2% from 19.5% (2023) to 21.7% 2024 due to product mix, the administrative expenses has also increased. Marketing event activity and personnel costs from scaled up resources associated directly with growing the distribution channels, saw the operating profit reduce £157k from £204.3k in (2023) to £47.6k in 2024.

The director considers the level of the business and the financial position of the balance sheet to the year-end to be satisfactory.

Principal risks and uncertainties

The company continued to experience challenging market conditions in the UK and Ireland during the year whilst maintaining high quality products and services to existing customers. These are not new risks but are managed via excellent relationships between the company and its customer base which has evolved through high levels of customer care and a comprehensive after sales support. The participation in such markets is often subject to uncertain economic conditions, which makes it difficult to estimate growth and as a result, future income and expenditures. Our future success depends upon our ability to develop new products that achieve market acceptance.

The company's operations expose it to a variety of financial risks that include price risk, liquidity risk and credit risk.

Liquidity risks

The generation of cash is one of the company's key measurements and is closely monitored. The risk to the going concern of the company is, however, low as the weekly cash forecasting cadence empowers the wider Positec Group to foresee any necessary regional investment to support the company.

Credit risk

Credit risk arises from cash and deposit balances held with banks and financial institutions, as well as credit exposures to wholesale and retail customers. While the company has both intercompany payables and receivables, these are managed by the treasury team at Positec Group level. The company does not have a requirement for loans or overdraft facilities to support the business. The company monitors its external receivables closely, and each new customer is analysed individually for creditworthiness. The following procedures are adhered to:

• Appropriate credit checks to be performed on customers prior to sales being made

• Collection of receivable balances within agreed payment terms

• Regular reviews on the credit status of existing customers.

Price risk

The company is exposed to commodity price risk as a result of its operations. Likewise, exposure to inflation, the impact of foreign exchange and the cost of shipping containers can impact the cost of performing fixed price contracts. The company manages this on a case-by-case basis. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Other risks

Third parties have claimed in the past and may claim in the future that we are infringing directly or indirectly upon their intellectual property rights, and third parties may infringe upon our intellectual property rights.

In order to remain successful, we must attract and retain key employees, and failure to do so could seriously harm the company's brands.

The company could be negatively impacted by a security breach, through cyberattack, cyber intrusion or the threat to gain unauthorised access that causes significant disruption to our IT network and related systems. Although significant effort is made to maintain the security and integrity of our IT systems, it is virtually impossible to entirely mitigate this risk.

Key performance indicators

The directors consider the turnover and margin of the company to be the key performance indicators in the business. These are monitored closely by local management complimented with reviews performed by Positec headquarters the ultimate parent undertaking on a quarterly and monthly basis.

Please note from a prior year adjustment the key performance indicators in 2023 will have changed from the previous financial statements.

	2024	2023
	£	£
Turnover	**21,678,101**	14,998,407
Operating profit/(loss)	**47,581**	204,317
Profit/(loss) after tax	**14,826**	156,990
Shareholders funds	**433,218**	418,392
Current assets as a % of current liabilities	**100%**	100%
Average number of employees	**47**	39
Net trade receivable days	**59**	42
Net trade payable days	**13**	7

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

Don Zhendong Gao
Director

Date: 11 June 2025

DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The director presents his report and the financial statements for the year ended 31 December 2024.

Director

The director who served during the year was:

Don Zhendong Gao

Director's responsibilities statement

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Results and dividends

The profit for the year, after taxation, amounted to £14,826 (2023 - £156,990).

The director did not propose any dividend in respect of the years ended 31 December 2023 or 2024.

Future developments

The home improvements and outdoor power equipment and power tool sector will continue to provide a profitable core business. Strategies to protect this core business and to develop and bring the next generation of products to market are integral to the Positec Group. In addition, campaigns are planned to penetrate adjacent markets with new products. Success in these areas remains key to meeting business objectives set by the directors in the strategic growth plan.

Disclosure of information to auditor

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

Auditor

The auditor, James Cowper Kreston Audit, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

Don Zhendong Gao
Director

Date: 11 June 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POSITEC (UK & IRELAND) LIMITED

Opinion

We have audited the financial statements of Positec (UK & Ireland) Limited (the 'Company') for the year ended 31 December 2024, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 director 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 director is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POSITEC (UK & IRELAND) LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Director's 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 and returns; or
- certain disclosures of director's 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 Director's responsibilities statement set out on page 3, the director is 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 director determines 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 director is 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 director either intends 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

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

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 Auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.

Jonathan Baillie BA (Hons) ACA FCCA (Senior Statutory Auditor)
for and on behalf of
James Cowper Kreston Audit
Chartered Accountants and Statutory Auditor
2 Communications Road
Greenham Business Park
Greenham
Newbury
Berkshire
RG19 6AB

26 June 2025

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Turnover	4	**21,678,101**	14,998,407
Cost of sales		**(16,962,491)**	(12,073,756)
Gross profit		**4,715,610**	2,924,651
Administrative expenses		**(4,668,029)**	(2,720,334)
Operating profit	5	**47,581**	204,317
Tax on profit	8	**(32,755)**	(47,327)
Profit for the financial year		**14,826**	156,990

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

The notes on pages 13 to 25 form part of these financial statements.

POSITEC (UK & IRELAND) LIMITED
REGISTERED NUMBER: 03998785

BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note		2024 £		2023 £
Fixed assets					
Tangible assets	9		**259,115**		287,895
			259,115		287,895
Current assets					
Stocks	10	**24,195,649**		19,177,902	
Debtors: amounts falling due within one year	11	**5,817,431**		4,208,330	
Cash at bank and in hand	12	**1,060,418**		815,660	
		31,073,498		24,201,892	
Creditors: amounts falling due within one year	13	**(30,847,292)**		(24,025,401)	
Net current assets			**226,206**		176,491
Total assets less current liabilities			**485,321**		464,386
Provisions for liabilities					
Deferred tax	15	**(52,103)**		(45,994)	
			(52,103)		(45,994)
Net assets			**433,218**		418,392
Capital and reserves					
Called up share capital	16		**1,000**		1,000
Profit and loss account	17		**432,218**		417,392
			433,218		418,392

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

Don Zhendong Gao
Director

Date: 11 June 2025

The notes on pages 13 to 25 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2024	1,000	417,392	418,392
Profit for the year	-	14,826	14,826
At 31 December 2024	1,000	432,218	433,218

The notes on pages 13 to 25 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2023	1,000	260,402	261,402
Profit for the year	-	156,990	156,990
At 31 December 2023	1,000	417,392	418,392

The notes on pages 13 to 25 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £	2023 £
Cash flows from operating activities		
Profit for the financial year	**14,826**	156,990
Adjustments for:		
Depreciation of tangible assets	**72,617**	58,286
Taxation charge	**-**	47,327
(Increase) in stocks	**(5,017,747)**	(10,630,298)
(Increase)/decrease in debtors	**(1,748,871)**	1,013,241
Increase in creditors	**131,676**	67,544
Corporation tax received/(paid)	**24,456**	(41,184)
Net cash generated from operating activities	**(6,523,043)**	(9,328,094)
Cash flows from investing activities		
Purchase of tangible fixed assets	**(43,837)**	(94,894)
Net cash from investing activities	**(43,837)**	(94,894)
Cash flows from financing activities		
New loans from group companies	**6,811,638**	9,087,022
Net cash used in financing activities	**6,811,638**	9,087,022
Net increase/(decrease) in cash and cash equivalents	**244,758**	(335,966)
Cash and cash equivalents at beginning of year	**815,660**	1,151,626
Cash and cash equivalents at the end of year	**1,060,418**	815,660
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**1,060,418**	815,660
	1,060,418	815,660

The notes on pages 13 to 25 form part of these financial statements.

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2024

	At 1 January 2024	Cash flows	At 31 December 2024
	£	£	£
Cash at bank and in hand	815,660	244,758	1,060,418
	815,660	244,758	1,060,418

The notes on pages 13 to 25 form part of these financial statements.

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

1. General information

Positec (UK & Ireland) Limited is a private company limited by share capital and incorporated in England and Wales. The address of the registered office is Fairfax House, 20-22 London Road, Newbury, RG14 1JX.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Going concern

Whilst the company has been profitable in the current year and expects to be profitable in the foreseeable future, the company has net current assets of £226,206 (2023: £176,491) at the year end but included in that is a significant amount due to other group companies of £28,849,630 (2023: £22,159,597) and is also fully reliant on that other group company for the supply of goods to be sold to customers.

The Director has sought assurances from the other group company that it will continue to provide financial support as is required for a period of least 12 months from the date of the approval of these financial statements.

Based on the above and specifically given the continued support from another group company the Director believes it is appropriate to prepare the accounts on a going concern basis.

2. Accounting policies (continued)

2.3 Revenue

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

Sale of goods

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.

Revenue from the sale of goods is typically recognised on despatch from the warehouse.

The Company also receives a commission income from the parent company which is calculated on the gross income receivable by the parent company in respect of goods sold directly to customers in the UK.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	-	10%
Motor vehicles	-	20%
Fixtures and fittings	-	20%
Computer equipment	-	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2. Accounting policies (continued)

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Finished goods include import duties and freight.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

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

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

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.9 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

2.11 Operating leases: the Company as lessee

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

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

2.12 Pensions

Defined contribution pension plan

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

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

2.13 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

The directors have had to make the following estimations in preparing the financial statements:

Provisions for rebates

Included within accruals and deferred income are estimates of the amounts payable in the form of rebates to customers. The Company estimates these based upon past experiences from similar contracts and based upon agreed terms with customers that were in place at the year end.

Direct costs associated with the import of stocks

The Company estimates an appropriate level of uplift to the cost of goods purchased from China for import duty charges and applies this uplift to the cost of goods purchased during the year and included in stock in the financial statements. The uplift is estimated based on known import duty rates in force during the year.

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

4. Turnover

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

	2024	2023
	£	£
Product sales	**20,590,718**	13,925,546
Commissions received	**1,087,383**	1,072,861
	21,678,101	14,998,407

Analysis of turnover by country of destination:

	2024	2023
	£	£
United Kingdom	**19,937,907**	13,504,089
Rest of Europe	**652,811**	421,457
Rest of the world	**1,087,383**	1,072,861
	21,678,101	14,998,407

5. Operating profit

The operating profit is stated after charging:

	2024	2023
	£	£
Exchange differences	**34,500**	96,667
Other operating lease rentals	**83,888**	39,587

6. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor:

	2024	2023
	£	£
Fees payable to the Company's auditor for the audit of the Company's financial statements	**28,000**	27,000

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

7. Employees

Staff costs were as follows:

	2024	2023
	£	£
Wages and salaries	**1,092,355**	951,972
Social security costs	**226,559**	88,492
Cost of defined contribution scheme	**192,349**	75,647
	1,511,263	1,116,111

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

	2024	2023
	No.	No.
Sales	**30**	24
Administration	**17**	15
	47	39

8. Taxation

	2024	2023
	£	£
Corporation tax		
Current tax on profits for the year	**19,103**	33,861
Adjustments in respect of previous periods	**7,543**	13,466
	26,646	47,327
Total current tax	**26,646**	47,327
Deferred tax		
Origination and reversal of timing differences	**6,109**	-
Total deferred tax	**6,109**	-
Taxation on profit on ordinary activities	**32,755**	47,327

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2023 - lower than) the standard rate of corporation tax in the UK of 25% (2023 - 23.5%). The differences are explained below:

	2024	2023
	£	£
Profit on ordinary activities before tax	**47,581**	204,317
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 23.52%)	**11,895**	48,056
Effects of:		
Fixed asset differences	**-**	(687)
Adjustment to tax charge in respect of prior periods	**7,543**	-
Movement in deferred tax not recognised	**13,317**	-
Other differences leading to an increase (decrease) in the tax charge	**-**	(42)
Total tax charge for the year	**32,755**	47,327

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

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

9. Tangible fixed assets

	Short-term leasehold property	Motor vehicles	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2024	**199,762**	**27,502**	**94,142**	**236,474**	**557,880**
Additions	**-**	**-**	**2,362**	**41,475**	**43,837**
At 31 December 2024	**199,762**	**27,502**	**96,504**	**277,949**	**601,717**
Depreciation					
At 1 January 2024	**56,599**	**3,209**	**28,265**	**181,912**	**269,985**
Charge for the year on owned assets	**19,977**	**5,500**	**34,806**	**12,334**	**72,617**
At 31 December 2024	**76,576**	**8,709**	**63,071**	**194,246**	**342,602**
Net book value					
At 31 December 2024	**123,186**	**18,793**	**33,433**	**83,703**	**259,115**
At 31 December 2023	143,163	24,293	65,877	54,562	287,895

10. Stocks

	2024	2023
	£	£
Goods in transit	**2,322,643**	1,121,060
Finished goods and goods for resale	**21,873,006**	18,056,842
	24,195,649	19,177,902

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

11. Debtors

	2024	As restated 2023
	£	£
Trade debtors	**3,362,907**	1,739,004
Amounts owed by group undertakings	**1,020,893**	1,142,498
Other debtors	**1,049,981**	1,034,452
Prepayments and accrued income	**383,650**	292,376
	5,817,431	4,208,330

Amounts owed by group undertakings are unsecured, repayable on demand and non-interest bearing.

12. Cash and cash equivalents

	2024	2023
	£	£
Cash at bank and in hand	**1,060,418**	815,660
	1,060,418	815,660

13. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Trade creditors	**613,322**	239,555
Amounts owed to group undertakings	**28,849,630**	22,159,597
Corporation tax	**-**	28,261
Other taxation and social security	**338,396**	471,804
Other creditors	**2,359**	8,967
Accruals and deferred income	**1,043,585**	1,117,217
	30,847,292	24,025,401

Amounts owed to group undertakings are unsecured, repayable on demand and non-interest bearing.

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

14. Financial instruments

	2024	2023
	£	£
Financial assets		
Financial assets measured at amortised cost	**5,874,099**	3,921,554
Cash at bank	**1,060,418**	815,660
	6,934,517	4,737,214
Financial liabilities		
Financial liabilities measured at amortised cost	**33,072,138**	23,863,466

Financial assets at amortised cost compromises of trade and other debtors, accrued income and amounts owed by group undertakings.

Financial liabilities measured at amortised cost compromises of trade creditors, other creditors, accruals and amounts owed to group undertakings.

15. Deferred taxation

	2024	2023
	£	£
At beginning of year	**(45,994)**	(45,994)
Charged to profit or loss	**(6,109)**	-
At end of year	**(52,103)**	(45,994)

The provision for deferred taxation is made up as follows:

	2024	2023
	£	£
Accelerated capital allowances	**(55,550)**	(45,994)
Short term differences	**3,447**	-
	(52,103)	(45,994)

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

16. Share capital

	2024	2023
	£	£
Allotted, called up and fully paid		
1,000 (2023 - 1,000) Ordinary shares of £1.00 each	**1,000**	1,000

17. Reserves

Profit and loss account

This reserve represents the cumulative profit available for distribution to shareholders.

18. Prior year adjustment

In the 2024 financial statements, a reclassification has been made to move a debtor from trade debtors to other debtors, with a value of £814,010 (2023: £823,961).

This has not impacted the Statement of Comprehensive Income or the net assets of the Company, but will impact the key performance indicators in the strategic report.

In the 2024 financial statements, a reclassification has been made to move amounts from sales to COS, with a value of £527,892 (2023: £828,085).

This has impacted the Statement of Comprehensive Income, but has not impacted the Statement of Financial Position. It will also impact the key performance indicators in the strategic report.

19. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £247,703 (2023: £192,407).

Total contributions payable to the fund at the balance sheet date are £nil in both 2024 and 2023.

20. Commitments under operating leases

At 31 December 2024 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024	2023
	£	£
Not later than 1 year	**111,024**	111,024
Later than 1 year and not later than 5 years	**401,931**	429,067
Later than 5 years	**-**	83,888
	512,955	623,979

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

21. Related party transactions

The company is exempt under paragraph 33.11 of FRS 102 from disclosing related party transactions with entities that are part of the group headed by Positec Group Limited, where 100% voting rights are controlled within the group.

Details of amounts owed to and from other group entities can be seen in notes 11 and 13.

Remuneration of those considered to be key management personnel amounted to £620,132 (2023: £450,362).

22. Controlling party

The ultimate parent company is Positec Group Limited, a company registered in Hong Kong.

The parent of both the largest and smallest group for which group accounts including Positec (UK & Ireland) Limited are drawn up is Positec Group Limited. Copies of these accounts are not available to the public.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.