Winder Power Holdings Limited

Registered number: 08240305

Directors' report and financial statements

For the year ended 31 March 2020

COMPANY INFORMATION

Directors	P D Matthews H McCracken A G Mill A P Pinkney W L Thomas
Company secretary	A G Mill
Registered number	08240305
Registered office	Grangefield House Richardshaw Road Pudsey West Yorkshire LS28 6QS
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditor 5th Floor 3 Wellington Place Leeds LS1 4AP
Bankers	HSBC Bank Plc 33 Park Row Leeds LS1 1LD

CONTENTS

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020

Principal activity

The group's principal activities are:

- the design, manufacture, installation and maintenance of electricity transformers and power distribution apparatus, and

- the design and manufacture of power generation equipment and rotating electrical machines.

Business review

The consolidated statement of comprehensive income is set out on page 10 and shows turnover for the year of £17.7m (2018: £12.8m). The group made an operating profit of £64k for the year (2018: loss of £307k) with the change from prior year predominantly driven by an increase in turnover.

Turnover was 39% higher than in 2018/19, principally as a result of increased volumes from secured framework agreements with UK Distribution Network Owners (DNOs). 2015/16 was the beginning of a new eight year price control period (RIIO ED1) for the DNOs; while the orders can fluctuate annually the visibility of the contracted spend over the framework term is good. The group entered into a new agreement with Western Power Distribution in June 2019. This added to the other contracts already in place and have been a major success for the business, they highlight the focus on quality and value for money delivered by the Group. The group has continued to be successful in securing long term contracts, primarily with the DNOs in the UK, where the business now has agreements in place with almost all of them.

The group has continued to place health and safety at the heart of its activities. At 31 March 2020 the business had operated for over 7 years and 5 months without a lost time or reportable accident. This positive trend has continued into the new financial year. Our board recognises the very significant effort which the group's employees have made in achieving these health and safety milestones. These efforts have been recognised externally with Winder Power Limited being presented with a Gold Award from the Royal Society for the Prevention of Accidents in 2018; the second year in succession.

The Board continues to drive the business forward with employee wellbeing at the core of the group's values while also maintaining its record on good corporate social responsibility. The business has recently increased the annual leave for all manufacturing employees in an effort to improve the work life balance for all employees. The group is proud to display the Fair Tax Mark and continued membership of the 'Living Wage' foundation. All these initiatives have helped the group to deliver a sickness/absence rate of around 1%, considered to be extremely low. The Board are also aware that while there are a number of the workforce who have been in the business for over 20 years we must ensure that skills are transferred to the next generation of employees, as such the business continues to invest in apprentices and looks to continue this in the future.

There have been no events since the balance sheet date which materially affect the position of the group, other than in relation to the banking facilities, which is discussed below in the going concern section of this report.

Principal risks and uncertainties

Going Concern

The Group's business activities, together with the factors likely to affect its future developments, performance and position are set out in the Strategic and Directors reports to the financial statements.

The Group has reported an operating profit of £64,221 for the year ended 31 March 2020 (2019: loss of £306,564). The Group has an outstanding working capital facility of £4 million from its bankers HSBC, which at 31 March 2020 was due for repayment in December 2020. The Group has renewed its £4million working capital facility with HSBC in October 2020 and the facilities are in place until 30 September 2023. The Directors believe that, along with the forecasts prepared, these facilities are sufficient to support the business to continue to grow for the foreseeable future.

Market Risk

The markets for transformers, power distribution equipment, power generation equipment and rotating electrical machines remain competitive. The group continues to manage actively the risk of losing customers to competitors (based both in the UK and overseas) by the provision of added value services, improving response times in the supply of products and by maintaining strong relationships with key customers by amongst other things offering strong technical support.

Ofgem has placed greater emphasis on innovation in addressing worn out assets, encouraging DNOs to refurbish existing assets. The group's expertise in manufacturing new assets and also in extending the life of existing assets reduces the risk to its income stream, and they continue to carry out refurbishment projects for customers both in the utility sector and elsewhere.

Commodity Risk

Copper prices fell in 2019/20: London Metal Exchange (LME) prices traded in a range USD 6,500 to USD 4,600 per tonne throughout the year. Copper represents around one quarter of the group's material costs, and the group protects itself from the commodity price rises and movements in the US Dollar to Sterling exchange rate by agreeing with its customers to flex contract prices to reflect movements to LME prices.

Currency Risk

The group purchases steel, copper and other components from Europe in Euros, and is therefore exposed to movements in the Euro to Sterling exchange rate. The exchange rate fluctuated between 1.20 and 1.07 over the twelve months. In light of the EU referendum result, the group has taken the decision to mitigate currency risk by buying currency forward and hedge against customers' orders received, so the tenor of these purchases is matched to the current length of the order book.

Credit Risk

The group's credit risk is primarily attributable to its trade debtors. Credit risk is managed by means of a credit insurance policy, by obtaining suitable security where appropriate, and by monitoring payments against contractual agreements.

Liquidity Risk

The group monitors cash flow as part of its day to day control procedures. The Board reviews cash flow projections on a monthly basis and ensures that appropriate facilities are available to be drawn upon as necessary.

Employee retention risk

The group manages the risk of losing key employees by creating a very open and inclusive culture and ensuring that employees receive a competitive benefits package taking into account their skills and experience. The group also operates established apprentice and graduate schemes which are successful in managing succession planning.

The impact of uncertainties due to the COVID-19 Coronavirus

Although the full impact of the current COVID 19 coronavirus pandemic is not clear it is having a significant detrimental impact on the overall economy. The directors expect this detrimental impact to be temporary and to be followed by gradual recovery in 2020 and beyond. However, it is not currently possible to evaluate all of the potential implications to the Group's trade, customers, suppliers and wider economy.

Winder Power has been sheltered to an extent due to the framework agreements in place and the nature of our order book. The Transformer division has been largely unaffected and continues to have a full order book for the majority of the following year, however the lockdown did prove challenging for our onsite Substation Services division. Many customers placed site work on hold during the UK lockdown, however with restrictions easing in summer the division has been extremely busy assisting customers push forward with their programmes and most of the delayed revenue is expected to be caught up during the financial year.

The business has worked hard as an employer of key workers, delivering critical electricity infrastructure, to ensure that staff remain well and that the risk to employees while at work is kept to a minimum. The business has instituted staggered start, finish and break times, sectioned off working areas to ensure employees maintain social distancing, enhanced cleaning routines multiple times a day for high traffic areas and undertaken Covid risk training with all staff. These and many more actions have been taken to reduce the risk of any transmission however the business continues to monitor and amend these precautions based on Government and local advice.

Risk from the United Kingdom leaving the European Union ("Brexit")

At the date of this report, the terms under which the United Kingdom will withdraw from the European Union are not fully known. The directors are confident that this withdrawal will not impact the group's ability to continue as a going concern. A significant proportion of the customer base is domestic and the group is experienced in international trade, import customs arrangements and has well established and robust import distribution channels. Due to the length of the manufacturing process involved in transformer manufacture any additional delays for goods being imported from Europe will not have a material impact on the business. The group has fixed its foreign currency exposure for all orders received to protect from any negative movements in Sterling. Despite the high level of uncertainty on the possible outcomes, the Board of Directors has considered the potential impact of Brexit and do not consider that there will be a significant impact on the group.

Research and development activities

The group continues to invest in research and development, particularly developing bespoke solutions for customers.

Other key performance indicators

The directors meet regularly throughout the year to discuss the performance of the group, various key performance indicators and other specific measures in order to gauge the group's financial position against annual targets.

The group's financial performance is measured using turnover and EBITDA (earnings before interest, tax, depreciation and amortisation). Turnover of £17.7m was higher than last year (£12.8m) for the reasons discussed above. EBITDA excluding exceptional and non recurring items for the year increased to £603k (2019: £297k), for the same reasons.

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

P D Matthews
Director

Date: 24 October 2020

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £119,461 (2019 - loss £554,162).

Dividends of £nil (2019: £nil) were paid to the shareholders during the year.

Directors

The directors who served during the year were:

P D Matthews
H McCracken
A G Mill
A P Pinkney
W L Thomas

Future developments

The group is continuing to focus on the improvement of transformer margins and securing further framework agreements with UK DNOs while the industrial market recovers. The business will also leverage its position as one of the UK's leading experts in transformer refurbishment, an area of the sector that has seen significant growth in the last few years.

The National Grid, through their Future Energy Scenarios, expect the electricity demand in the UK to double by 2050, this is driven through an increase in electric vehicles and a conversion of heating from gas to electric. This increase along with the pressure that a distributed energy generation model places on the electricity network means that there will need to be a significant increase in the capacity of the electricity distribution network. This means that the requirement for transformers will greatly increase.

Engagement with employees

During the period, the policy of providing employees with information about the group has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the group's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director 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 and the Group's auditors are aware of that information.

Post balance sheet events

The Group has renewed its £4 million working capital facility with HSBC in October 2020.

Auditors

The auditors, Mazars LLP, 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.

P D Matthews
Director

Date: 24 October 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WINDER POWER HOLDINGS LIMITED

Opinion

We have audited the financial statements of Winder Power Holdings Limited (the 'Parent Company') for the year ended 31 March 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 and the Group's affairs as at 31 March 2020 and of the Group and Company's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WINDER POWER HOLDINGS LIMITED

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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WINDER POWER HOLDINGS LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Parent 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 intend to liquidate the Group or Parent 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.

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 the audit 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.

Shaun Mullins (Senior statutory auditor)

for and on behalf of

Mazars LLP

Chartered Accountants & Statutory Auditor and

5th Floor

3 Wellington Place
Leeds
LS1 4AP

26 October 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Turnover	4	17,704,296	12,754,227
Cost of sales		(14,292,294)	(9,691,862)
Gross profit		3,412,002	3,062,365
Distribution costs		(197,847)	(316,285)
Administrative expenses		(3,149,934)	(3,052,644)
Operating profit/(loss)	5	64,221	(306,564)
Interest payable and expenses	9	(394,705)	(294,851)
Loss before taxation		(330,484)	(601,415)
Tax on loss	10	211,023	47,253
Loss for the financial year		(119,461)	(554,162)
Total comprehensive income for the year		(119,461)	(554,162)

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of comprehensive income.

The notes on pages 17 to 38 form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

	Note		2020 £		2019 £
Fixed assets					
Intangible assets	**11**		2,007,586		2,048,567
Tangible assets	**12**		1,790,010		1,961,542
			3,797,596		4,010,109
Current assets					
Stocks	**14**	1,715,996		1,381,323	
Debtors: amounts falling due within one year	**15**	7,597,993		4,515,336	
Cash at bank and in hand	**16**	1,488,265		849,639	
		10,802,254		6,746,298	
Creditors: amounts falling due within one year	**17**	(12,675,304)		(7,485,728)	
Net current liabilities			(1,873,050)		(739,430)
Total assets less current liabilities			1,924,546		3,270,679
Creditors: amounts falling due after more than one year	**18**		-		(1,269,457)
Provisions for liabilities					
Deferred tax	**21**		(215,933)		(173,148)
Net assets			1,708,613		1,828,074
Capital and reserves					
Called up share capital	**22**		19,648		19,648
Share premium account	**23**		2,200,636		2,200,636
Profit and loss account	**23**		(511,671)		(392,210)
			1,708,613		1,828,074

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

P D Matthews
Director

Date: 24 October 2020

The notes on pages 17 to 38 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note		2020 £		2019 £
Fixed assets					
Investments	**13**		5,393,403		5,393,403
			5,393,403		5,393,403
Current assets					
Debtors: amounts falling due within one year	**15**	1,391		1,408	
		1,391		1,408	
Creditors: amounts falling due within one year	**17**	(4,602,571)		(3,178,105)	
Net current liabilities			(4,601,180)		(3,176,697)
Total assets less current liabilities			792,223		2,216,706
Creditors: amounts falling due after more than one year	**18**		-		(1,269,457)
Net assets			792,223		947,249
Capital and reserves					
Called up share capital	**22**		19,648		19,648
Share premium account	**23**		2,200,636		2,200,636
Profit and loss account carried forward			(1,428,061)		(1,273,035)
			792,223		947,249

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the Period/year was £155,026 (2019 - loss £1,140,372).

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

P D Matthews
Director

Date: 24 October 2020

The notes on pages 17 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2018	19,648	2,200,636	161,952	2,382,236
Comprehensive income for the year				
Loss for the year	-	-	(554,162)	(554,162)
At 1 April 2019	19,648	2,200,636	(392,210)	1,828,074
Comprehensive income for the year				
Loss for the year	-	-	(119,461)	(119,461)
At 31 March 2020	19,648	2,200,636	(511,671)	1,708,613

The notes on pages 17 to 38 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2018	19,648	2,200,636	(132,663)	2,087,621
Comprehensive income for the year				
Loss for the year	-	-	(1,140,372)	(1,140,372)
At 1 April 2019	19,648	2,200,636	(1,273,035)	947,249
Comprehensive income for the year				
Loss for the year	-	-	(155,026)	(155,026)
At 31 March 2020	19,648	2,200,636	(1,428,061)	792,223

The notes on pages 17 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020	2019
	£	£
Cash flows from operating activities		
Loss for the financial year	(119,461)	(554,162)
Adjustments for:		
Amortisation of intangible assets	148,128	148,128
Depreciation of tangible assets	238,672	251,671
Interest paid	394,705	294,851
Taxation charge	(211,023)	(47,253)
(Increase) in stocks	(334,673)	(40,345)
Increase in debtors	(2,913,104)	(521,731)
Increase/(decrease) in creditors	3,930,405	(256,530)
Corporation tax received/(paid)	84,255	(72,606)
Net cash generated from operating activities	1,217,904	(797,977)
Cash flows from investing activities		
Purchase of tangible fixed assets	(174,287)	(161,466)
Net cash from investing activities	(174,287)	(161,466)
Cash flows from financing activities		
Repayment of/new finance leases	(10,286)	(135,473)
Interest paid	(394,705)	(294,851)
Net cash used in financing activities	(404,991)	(430,324)
Net increase/(decrease) in cash and cash equivalents	638,626	(1,389,767)
Cash and cash equivalents at beginning of year	849,639	2,239,406
Cash and cash equivalents at the end of year	1,488,265	849,639
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,488,265	849,639
	1,488,265	849,639

The notes on pages 17 to 38 form part of these financial statements.

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2020

	At 1 April 2019	Cash flows	Other non-cash changes	At 31 March 2020
	£	£	£	£
Cash at bank and in hand	849,639	638,626	-	1,488,265
Debt due after 1 year	(1,269,457)	-	1,269,457	-
Debt due within 1 year	(4,000,000)	-	(1,269,457)	(5,269,457)
Finance leases	(12,646)	10,287	-	(2,359)
	(4,432,464)	648,913	-	(3,783,551)

The notes on pages 17 to 38 form part of these financial statements.

1. General information

Winder Power Holdings Limited ("the Company") is limited by share capital and incorporated in England and Wales. The address of the registered office is Grangefield House, Richardshaw Road, Pudsey, Leeds, LS28 6QS.

Winder Power Holdings Limited is a holding company of its wholly owned direct subsidiary, Winder Power Limited.

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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The group and parent company have adopted the triennial review of FRS 102 applicable for periods commencing on, or after, 1 January 2019. The policies applied under the entity's previous accounting framework are not materially different to the triennial review of FRS 102 and have not impacted on equity or profit or loss.
The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2015.

2. Accounting policies (continued)

2.3 Going concern

The Group's business activities, together with the factors likely to affect its future developments, performance and position are set out in the Strategic and Directors reports to the financial statements.

The Group has reported an operating profit of £64,221 for the year ended 31 March 2020 (2019: loss of £306,564). The Group has an outstanding working capital facility of £4 million from its bankers HSBC, which at 31 March 2020 was due for repayment in December 2020. The Group has renewed its £4 million working capital facility with HSBC in October 2020 and the facilities are in place until 30 September 2023. The Directors believe that, along with the forecasts prepared, these facilities are sufficient to support the business to continue to grow for the foreseeable future.

Despite the onset of the COVID-19 pandemic during March 2020 Winder Power has been sheltered, to an extent, due to the framework agreements in place and the nature of the order book. The Transformer division has been largely unaffected and continues to have a full order book for the majority of the next year. The Group is trading profitably post year end.

Based on the above indications the directors believe that it remains appropriate to prepare the consolidated financial statements on a going concern basis.

2.4 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 the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income 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.

2.7 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2. Accounting policies (continued)

2.8 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.9 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.11 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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 reporting date in the countries where the Company and the Group operate and generate income.

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

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

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

2.13 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life of 20 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.14 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.

2. Accounting policies (continued)

2.14 Tangible fixed assets (continued)

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:

Long term leasehold property	- Straight line basis over the remaining term of the lease
Plant & machinery	- Straight line basis over the remianing term of the lease (longer life assets) and straight line basis over 10 years (shorter life assets)
Motor vehicles	- Straight line basis over 4 years
Fixtures & fittings	- Straight line basis over 4 years
Office equipment	- Straight line basis over 3 - 5 years
Assets held under construction	- Are not depreciated on the basis that they they have not been commissioned

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 the Consolidated Statement of Comprehensive Income.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.16 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting 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.

2.17 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. Accounting policies (continued)

2.18 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 Consolidated 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 Group's cash management.

2.19 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.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2. Accounting policies (continued)

2.21 Financial instruments

The Group 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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

The critical judgements that the directors have made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

Assessing indicators of impairment

In assessing whether there have been any indictaors of impairment assets, the directors have considered both external and internal sources of information such as market conditions, counter party credit ratings and experience of recoverability and where applicable, the ability of the assets to be operated as planned.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

(i) Long term contracts

Contract accounting is used to determine the amount of revenue to be recognsied on long terms transformer manufacturing contracts. The process of identifying the percentage completion of each ongoing contract requires judgement from management to ensure that revenue is appropriately recognised across the contract period.

(ii) Stock provision

The valuation of stock is deemed to be an area of judgement due to the management deciding upon the value of any provision against stock at the year end.

4. Turnover

	2020 £	2019 £
Transformer supply and service	17,704,296	12,754,227

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	17,387,029	12,104,937
Rest of Europe	268,575	310,113
Rest of the world	48,692	339,177
	17,704,296	12,754,227

5. Operating profit/(loss)

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

	2020 £	2019 £
Depreciation of tangible fixed assets	238,672	251,670
Exchange differences	(2,971)	8,989
Amortisation of goodwill	148,128	148,128
Hire of plant and machinery - operating leases	58,283	51,476
Hire of other assets - operating lease	385,000	385,000
Non recurring costs	151,681	204,214

6. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	23,950	21,800

Fees payable to the Group's auditor in respect of:

	2020 £	2019 £
Taxation compliance services	4,125	3,750
All other services	9,806	17,042
	13,931	20,792

7. Employees

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

	Group 2020 £	Group 2019 £
Wages and salaries	2,670,478	2,500,756
Social security costs	197,031	189,114
Cost of defined contribution scheme	84,809	65,036
	2,952,318	2,754,906

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

	2020 No.	2019 No.
Manufacturing	51	49
Administration and management	23	22
	74	71

The Company has no employees other than the directors, who did not receive any remuneration (2019 - £NIL)

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	354,804	452,293
Company contributions to defined contribution pension schemes	27,262	33,848
	382,066	486,141

During the year retirement benefits were accruing to 3 directors (2019 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £119,220 (2019 - £114,732).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,117 (2019 - £10,522).

9. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	268,386	161,985
Other loan interest payable	125,000	125,000
Finance leases and hire purchase contracts	1,319	7,152
Other interest payable	-	714
	394,705	294,851

10. Taxation

	2020 £	2019 £
Corporation tax		
Adjustments in respect of previous periods	(253,808)	(35,034)
Deferred tax		
Origination and reversal of timing differences	42,785	(12,219)
Taxation on loss on ordinary activities	(211,023)	(47,253)

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	(330,484)	(601,415)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(62,792)	(114,269)
Effects of:		
Expenses not deductible for tax purposes	47,881	56,507
Adjustment in respect of prior periods	(253,808)	(35,034)
Deferred tax rate difference	21,293	5,785
Fixed asset differences	3,978	2,801
Deferred tax not recognised	31,934	36,957
Other differences leading to an increase (decrease) in the tax charge	491	-
Total tax charge for the year	(211,023)	(47,253)

Factors that may affect future tax charges

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted for UK GAAP purposes on 17 March 2020. The corporation tax rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%.

Deferred tax has been provided at 19%, being the corporation tax rate that had been enacted at the balance sheet date and the rate at which timing differences are expected to reverse.

11. Intangible assets

Group

	Computer software	Goodwill	Total
	£	£	£
Cost			
At 1 April 2019	-	2,974,337	2,974,337
Transfer from assets under construction (note 12)	107,147	-	107,147
At 31 March 2020	107,147	2,974,337	3,081,484
Amortisation			
At 1 April 2019	-	925,770	925,770
Charge for the year on owned assets	-	148,128	148,128
At 31 March 2020	-	1,073,898	1,073,898
Net book value			
At 31 March 2020	107,147	1,900,439	2,007,586
At 31 March 2019	-	2,048,567	2,048,567

12. Tangible fixed assets

Group

	L/Term Leasehold Property	Plant & machinery	Fixtures & fittings	Office equipment	Assets Held Under Construction	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2019	348,756	2,909,517	189,735	359,949	107,147	3,915,104
Additions	-	90,866	11,443	71,978	-	174,287
Transfer to intangible fixed assets (note 11)	-	-	-	-	(107,147)	(107,147)
At 31 March 2020	348,756	3,000,383	201,178	431,927	-	3,982,244
Depreciation						
At 1 April 2019	186,317	1,281,898	168,029	317,318	-	1,953,562
Charge for the year on owned assets	14,741	156,383	17,904	49,644	-	238,672
At 31 March 2020	201,058	1,438,281	185,933	366,962	-	2,192,234
Net book value						
At 31 March 2020	147,698	1,562,102	15,245	64,965	-	1,790,010
At 31 March 2019	162,439	1,627,619	21,706	42,631	107,147	1,961,542

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020	2019
	£	£
Plant and machinery	246,607	261,782
Furniture, fittings and equipment	1,209	18,655
	247,816	280,437

13. Fixed asset investments

Company

	Investments in subsidiary companies
	£
Cost or valuation	
At 1 April 2019	6,368,484
At 31 March 2020	6,368,484
Impairment	
At 1 April 2019	975,081
At 31 March 2020	975,081
Net book value	
At 31 March 2020	5,393,403
At 31 March 2019	5,393,403

Subsidiary undertakings

The principle undertakings in which the company's interest at the period end was 20% or more are as follows:

Name	Registered office	Class of shares	Holding
Winder Power Limited	Same as the company	Ordinary	100 %
RF Winder Electrical Limited*	Same as the company	Ordinary	100 %
Newton Derby Limited*	Same as the company	Ordinary	100 %
Countryman Defence Limited*	Same as the company	Ordinary	100 %
Control Instruments Limited*	Same as the company	Ordinary	100 %

* Dormant subsidiary held indirectly via Winder Power Limited.

Winder Power Limited is the only subsidiary undertaking held directly.

All subsidiary undertakings are registered in England and Wales.

The directors consider that the dormant subsidiaries may be excluded from consolidation on the grounds of having an immaterial impact on the group financial statements.

14. Stocks

	Group 2020 £	Group 2019 £
Raw materials and consumables	1,124,261	652,448
Work in progress (goods to be sold)	591,735	728,875
	1,715,996	1,381,323

The difference between purchase price or production cost of stocks and their replacement cost is not material.

15. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	3,711,829	2,257,851	-	-
Other debtors	159,879	89,715	1,391	1,408
Prepayments and accrued income	209,523	193,424	-	-
Amounts recoverable on long term contracts	3,262,754	1,890,091	-	-
Tax recoverable	254,008	84,255	-	-
	7,597,993	4,515,336	1,391	1,408

16. Cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash at bank and in hand	1,488,265	849,639

17. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	4,000,000	4,000,000	-	-
Other loans	138,194	-	138,194	-
Trade creditors	3,557,832	2,481,032	-	-
Amounts owed to group undertakings	-	-	3,078,325	3,026,091
Other taxation and social security	760,854	233,027	-	-
Obligations under finance lease and hire purchase contracts	2,359	12,646	-	-
Other creditors	56,387	62,659	28,798	40,530
Accruals and deferred income	3,028,415	696,364	225,991	111,484
Share capital treated as debt	1,131,263	-	1,131,263	-
	12,675,304	7,485,728	4,602,571	3,178,105

See note 19 'Loans' for details of security, repayment dates and interest charges on the bank loans above.

Shares classified as liabilities are disclosed net of unamortised arrangement fees of £19,457 (2019: £19,457) and £12,500 (2019: £12,500) respectively.

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

18. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Other loans	-	138,194	-	138,194
Share capital treated as debt	-	1,131,263	-	1,131,263
	-	1,269,457	-	1,269,457

Disclosure of the terms and conditions attached to the non-equity shares is made in note 22.

19. Loans

Analysis of the maturity profile of loans is given below:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Amounts falling due within one year				
Bank loans	4,000,000	4,000,000	-	-
Other loans	138,194	-	138,194	-
	4,138,194	4,000,000	138,194	-
Amounts falling due 1-2 years				
Other loans	-	138,194	-	138,194
	4,138,194	4,138,194	138,194	138,194

The bank loan is secured by way of fixed and floating charge over the assets of the group. The loan is repayable in full in December 2020 and attracts interest at a rate of LIBOR + 4.25% per annum (2019: LIBOR + 2.5%).

20. Financial instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Financial assets				
Cash and cash equivalents	1,488,265	849,639	-	-
Financial assets that are debt instruments measured at amortised cost	7,134,462	4,237,657	1,391	1,408
	8,622,727	5,087,296	1,391	1,408
Financial liabilities				
Financial liabilities measured at amortised cost	(8,883,676)	(7,813,148)	(4,376,580)	(4,336,078)

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and amounts recoverable under long term contracts.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, bank loans, other loans, amounts owed to group undertakings and share capital treated as debt.

21. Deferred taxation

Group

	2020 £
At beginning of year	(173,148)
Charged to profit or loss	(42,785)
At end of year	(215,933)

The provision for deferred taxation is made up as follows:

	Group 2020 £	Group 2019 £
Accelerated capital allowances	(234,791)	(183,027)
Tax losses carried forward	16,963	9,879
Other timing differences	1,895	-
	(215,933)	(173,148)

22. Share capital

	2020 £	2019 £
Shares classified as equity		
Allotted, called up and fully paid		
1,984,782 (2019 - 1,984,782) 'B' Ordinary shares of £0.01 each	19,648	19,648
Shares classified as debt		
Allotted, called up and fully paid		
1,111,806 (2019 - 1,111,806) 'A' Ordinary shares of £0.01 each	1,131,263	1,131,263

22. Share capital (continued)

In accordance with Section 11 of FRS 102 "Financial Instruments: Disclosures and Presentation", 1,111,806 'A' Ordinary shares are presented as a liability in the balance sheet (note 17).

The 'A' Ordinary shareholders have the right to a dividend each year being the highest of:

1. The following percentages of consolidated earnings before interest and tax ("EBIT") divided by the number of shares

(a) period 1 January 2018 to 31 March 2018 10%

(b) year ending 31 March 2018 12.5%

(c) year ending 31 March 2019 and subsequent years 15%

2. 10% per annum of the total subscription price of the 'A' Ordinary shares divided by the number of shares in issue

On a liquidation or return of capital the 'A' Ordinary shareholders have the right to the first distribution of surplus assets to the extent of unpaid arrears and accruals of the 'A' Ordinary share dividends and interest. Secondly, the 'A' Ordinary shareholders have the right to 50% of the issue price of their shares.

23. Reserves

Share premium account

The share premium account includes the premium on issue of equity shares, net of issue costs.

Profit & loss account

The profit and loss reserves consist of accumulated profits and losses, less dividend payments.

24. Pension commitments

The group operates a defined contribution personal pension scheme. The assets of the scheme are held seperately from those of the company in a independently administered fund. The pension charge amounted to £84,809 (2019: £65,036). Contributions totalling £25,953 (2019: £13,249) were payable to the fund at the end of the financial year and are included in creditors due within 1 year.

25. Commitments under operating leases

At 31 March 2020 the group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £
Not later than 1 year	407,003	383,703
Later than 1 year and not later than 5 years	609,206	908,780
	1,016,209	1,292,483

26. Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 not to disclose transactions with its wholly owned subsidiaries.

Enterprise Ventures Growth Fund LP is a shareholder of the company. During the year the group accrued preference share dividends to this related party of £125,000 (2019: £125,000).

27. Post balance sheet events

The Group has renewed its £4 million working capital facility with HSBC in October 2020.

28. Controlling party

Winder Power Holdings Limited is controlled by its shareholders. The directors do not consider there to be an ultimate controlling party.