

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2023
for
Alpha-Cure Limited

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for the Year Ended 31 December 2023

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DIRECTORS:	S P Atherstone S Haines M A Slater K Baier
SECRETARY:	M A Slater
REGISTERED OFFICE:	Leonard House Great Central Way Woodford Halse Daventry Northamptonshire NN11 3PZ
REGISTERED NUMBER:	03191947 (England and Wales)
AUDITORS:	CED Accountancy Services Limited Registered Auditors Chartered Accountants 1 Lucas Bridge Business Park Old Greens Norton Road Towcester Northamptonshire NN12 8AX
BANKERS:	National Westminster Bank Plc Grange Park Court Roman Way Grange Park Northampton NN4 5EA
SOLICITORS:	Howes Percival Oxford House Northampton Northamptonshire NN1 5PN

Strategic Report
for the Year Ended 31 December 2023

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

REVIEW OF BUSINESS

The directors report that the company has performed well in the year to 31 December 2023.

We aim to present a balanced and comprehensive review of the development and performance of the company during the year and its position at the year end. Our review is consistent with the size and non-complex nature of the company and is written in the context of the risks and uncertainties we face.

We consider the key performance indicators for the group are those that communicate the financial performance and strength of the group as a whole, these being turnover and gross margin.

The continuing development of new products and innovative manufacturing processes, along with improvements made to the usable lives of existing products, have significantly contributed to the group's continued growth and keeps the Alpha-Cure brand at the forefront of the UV and Metal Halide lamp industry.

With our knowledge of the industry and focussed direction of management, we feel confident that the company will be able to maintain our business throughout at least the next year.

In September 2024, the company invested in and purchased a production line including fixed assets from the USA for \$1,500,000. This production line will likely start manufacturing in 2025 and will help the company develop and introduce new UV lamps. The company leadership is committed to investing in the business to achieve long-term growth goals.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk identified for future prospects relates to current global economic uncertainty and inflationary pressures that are likely to put further pressure on the company's gross margin.

FINANCIAL KEY PERFORMANCE INDICATORS

The Directors have monitored the progress of the overall company strategy and the individual strategic elements by reference to certain financial key performance indicators.

Turnover: £9,068,878 (2022 - £9,907,430)

Gross profit margin: 39.47% (2022 - 38.07%)

ON BEHALF OF THE BOARD:

M A Slater - Director

30 September 2024

Report of the Directors
for the Year Ended 31 December 2023

The directors present their report with the financial statements of the company for the year ended 31 December 2023.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the manufacture of ultra violet curing lamps.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2023 will be £ 657,067 .

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

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

S P Atherstone
S Haines
M A Slater
K Baier

FINANCIAL INSTRUMENTS

The company uses various financial instruments including cash, trade debtors, and trade creditors that arise directly from the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below:

LIQUIDITY RISK

The company seeks to manage finance risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

INTEREST RATE RISK

The company finances its operations through a mixture of retained profits and cash balances. Cash is managed to maximise income from interest while avoiding inherent risk.

CREDIT RISK

The company's principle financial assets are cash and trade debtors.

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

M A Slater - Director

30 September 2024

Opinion

We have audited the financial statements of Alpha-Cure Limited (the 'company') for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 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 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The engagement partner ensured that the engagement team had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
we identified the laws and regulations applicable to the company through discussions with directors and other management;
we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, employment environmental and health and safety legislation;
we assessed the extent of compliance with the laws and regulations identified above;
we communicated identified laws and regulations within the audit team who remained alert to instances of non-compliance.

We assessed the susceptibility of the company's financial statements to material misstatement including obtaining an understanding of how fraud might occur, by;

- making enquiries of management as to whether they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we;

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;

In response to the risk of non-compliance with laws and regulations, we designed procedures which included, but were not limited to;

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of
Alpha-Cure Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Wajih Khan FCCA (Senior Statutory Auditor)
for and on behalf of CED Accountancy Services Limited
Registered Auditors
Chartered Accountants
1 Lucas Bridge Business Park
Old Greens Norton Road
Towcester
Northamptonshire
NN12 8AX

30 September 2024

Statement of Comprehensive Income
for the Year Ended 31 December 2023

	Notes	31.12.23 £	£	31.12.22 £	£
TURNOVER			9,068,879		9,907,431
Cost of sales			5,500,064		6,135,200
GROSS PROFIT			3,568,815		3,772,231
Distribution costs		742,206		627,527	
Administrative expenses		1,610,895		1,417,472	
			2,353,101		2,044,999
OPERATING PROFIT	4		1,215,714		1,727,232
Income from shares in group undertakings			411,326		668,151
			1,627,040		2,395,383
Interest payable and similar expenses	5		61,506		34,305
PROFIT BEFORE TAXATION			1,565,534		2,361,078
Tax on profit	6		187,034		190,601
PROFIT FOR THE FINANCIAL YEAR			1,378,500		2,170,477
OTHER COMPREHENSIVE INCOME			-		-
TOTAL COMPREHENSIVE INCOME			-		-
FOR THE YEAR			1,378,500		2,170,477

Balance Sheet
31 December 2023

	Notes	31.12.23		31.12.22	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		665		953
Tangible assets	9		673,832		635,880
Investments	10		<u>4,814,000</u>		<u>4,814,000</u>
			<u>5,488,497</u>		<u>5,450,833</u>
CURRENT ASSETS					
Stocks	11	1,969,009		2,131,806	
Debtors	12	2,819,257		2,499,595	
Cash at bank		<u>725,890</u>		<u>388,385</u>	
		<u>5,514,156</u>		<u>5,019,786</u>	
CREDITORS					
Amounts falling due within one year	13	<u>6,457,893</u>		<u>6,696,442</u>	
NET CURRENT LIABILITIES			<u>(943,737)</u>		<u>(1,676,656)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,544,760</u>		<u>3,774,177</u>
CREDITORS					
Amounts falling due after more than one year	14		(24,019)		-
PROVISIONS FOR LIABILITIES	18		<u>(182,192)</u>		<u>(157,061)</u>
NET ASSETS			<u>4,338,549</u>		<u>3,617,116</u>
CAPITAL AND RESERVES					
Called up share capital	19		104		104
Share premium	20		287,991		287,991
Capital redemption reserve	20		5		5
Retained earnings	20		<u>4,050,449</u>		<u>3,329,016</u>
SHAREHOLDERS' FUNDS			<u>4,338,549</u>		<u>3,617,116</u>

Alpha-Cure Limited (Registered number: 03191947)

Balance Sheet - continued
31 December 2023

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2024 and were signed on its behalf by:

M A Slater - Director

The notes form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31 December 2023

	Called up share capital	Retained earnings	Share premium	Capital redemption reserve	Total equity
	£	£	£	£	£
Balance at 1 January 2022	104	2,987,090	287,991	5	3,275,190
Changes in equity					
Dividends	-	(1,828,551)	-	-	(1,828,551)
Total comprehensive income	-	<u>2,170,477</u>	-	-	<u>2,170,477</u>
Balance at 31 December 2022	<u>104</u>	<u>3,329,016</u>	<u>287,991</u>	<u>5</u>	<u>3,617,116</u>
Changes in equity					
Dividends	-	(657,067)	-	-	(657,067)
Total comprehensive income	-	<u>1,378,500</u>	-	-	<u>1,378,500</u>
Balance at 31 December 2023	<u>104</u>	<u>4,050,449</u>	<u>287,991</u>	<u>5</u>	<u>4,338,549</u>

Cash Flow Statement
for the Year Ended 31 December 2023

	Notes	31.12.23 £	31.12.22 £
Cash flows from operating activities			
Cash generated from operations	1	1,715,930	1,698,862
Interest paid		(60,324)	(33,254)
Interest element of hire purchase payments paid		(1,182)	(1,051)
Tax paid		(509,907)	(160,532)
Net cash from operating activities		<u>1,144,517</u>	<u>1,504,025</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(113,332)	(171,735)
Dividends received		411,326	668,151
Net cash from investing activities		<u>297,994</u>	<u>496,416</u>
Cash flows from financing activities			
Loan repayments in year		(45,000)	(15,000)
Movement in intercompany loans		(328,269)	(208,110)
Capital repayments in year		(13,196)	(23,935)
Amount introduced by directors		204,421	250,000
Amount withdrawn by directors		(504,265)	(11,070)
Equity dividends paid		(657,067)	(1,828,551)
Net cash from financing activities		<u>(1,343,376)</u>	<u>(1,836,666)</u>
Increase in cash and cash equivalents		<u>99,135</u>	<u>163,775</u>
Cash and cash equivalents at beginning of year	2	388,385	224,610
Cash and cash equivalents at end of year	2	<u>487,520</u>	<u>388,385</u>

Notes to the Cash Flow Statement
for the Year Ended 31 December 2023

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.12.23	31.12.22
	£	£
Profit before taxation	1,565,534	2,361,078
Depreciation charges	119,957	110,663
Finance costs	61,506	34,305
Finance income	<u>(411,326)</u>	<u>(668,151)</u>
	1,335,671	1,837,895
Decrease/(increase) in stocks	162,797	(314,540)
Decrease/(increase) in trade and other debtors	161,596	(9,485)
Increase in trade and other creditors	<u>55,866</u>	<u>184,992</u>
Cash generated from operations	<u>1,715,930</u>	<u>1,698,862</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2023

	31.12.23	1.1.23
	£	£
Cash and cash equivalents	725,890	388,385
Bank overdrafts	<u>(238,370)</u>	<u>-</u>
	<u>487,520</u>	<u>388,385</u>

Year ended 31 December 2022

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	<u>388,385</u>	<u>224,610</u>

Notes to the Cash Flow Statement
for the Year Ended 31 December 2023

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.23 £	Cash flow £	Other non-cash changes £	At 31.12.23 £
Net cash				
Cash at bank	388,385	337,505		725,890
Bank overdrafts	-	<u>(238,370)</u>		<u>(238,370)</u>
	<u>388,385</u>	<u>99,135</u>		<u>487,520</u>
Debt				
Finance leases	(10,000)	13,196	(44,289)	(41,093)
Debts falling due within 1 year	<u>(45,000)</u>	<u>45,000</u>	<u>-</u>	<u>-</u>
	<u>(55,000)</u>	<u>58,196</u>	<u>(44,289)</u>	<u>(41,093)</u>
Total	<u>333,385</u>	<u>157,331</u>	<u>(44,289)</u>	<u>446,427</u>

Notes to the Financial Statements
for the Year Ended 31 December 2023

1. **STATUTORY INFORMATION**

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

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about Alpha-Cure Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Alpha-Cure Group Limited, Leonard House Great Central Way, Woodford Halse, Daventry, England, NN11 3PZ.

Significant judgements and estimates

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

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

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of twenty years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- 15% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on cost

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

2. **ACCOUNTING POLICIES - continued**

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, bank overdrafts, loans to related parties and investments in non-puttable 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 rate 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 financed at a rate of interest that is not a market rate or in a case of an out-right short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Income Statement.

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 Company would receive if the asset were to be sold at the reporting date.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

2. **ACCOUNTING POLICIES - continued**

Foreign currencies

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

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **EMPLOYEES AND DIRECTORS**

	31.12.23	31.12.22
	£	£
Wages and salaries	2,044,864	1,971,920
Social security costs	191,194	190,572
Other pension costs	81,463	95,305
	<u>2,317,521</u>	<u>2,257,797</u>

The average number of employees during the year was as follows:

	31.12.23	31.12.22
Production	30	38
Sales	10	9
Admin (clerical)	13	11
Technical	1	1
	<u>54</u>	<u>59</u>

	31.12.23	31.12.22
	£	£
Directors' remuneration	195,536	165,600
Directors' pension contributions to money purchase schemes	<u>14,302</u>	<u>26,302</u>

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

Money purchase schemes	<u>3</u>	<u>3</u>
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Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

4. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.23	31.12.22
	£	£
Depreciation - owned assets	115,895	106,693
Depreciation - assets on hire purchase contracts	3,774	3,681
Patents and licences amortisation	288	288
Auditors' remuneration	<u>11,800</u>	<u>15,000</u>

5. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.23	31.12.22
	£	£
Bank interest	38,750	19,276
Pension loan interest	7,803	2,259
HMRC interest	13,771	11,719
Hire purchase	<u>1,182</u>	<u>1,051</u>
	<u>61,506</u>	<u>34,305</u>

6. **TAXATION**

Analysis of the tax charge

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

	31.12.23	31.12.22
	£	£
Current tax:		
UK corporation tax	180,246	208,674
Prior year over/underprovision	<u>(18,343)</u>	<u>(68,802)</u>
Total current tax	161,903	139,872
Deferred tax	<u>25,131</u>	<u>50,729</u>
Tax on profit	<u>187,034</u>	<u>190,601</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	31.12.23	31.12.22
	£	£
Profit before tax	<u>1,565,534</u>	<u>2,361,078</u>
Profit multiplied by the standard rate of corporation tax in the UK of 25% (2022 - 19%)	391,384	448,605
Effects of:		
Expenses not deductible for tax purposes	19,129	5,285
Income not taxable for tax purposes	(102,881)	(126,948)
Capital allowances in excess of depreciation	(9,714)	(18,268)
Adjustments to tax charge in respect of previous periods	(18,343)	(68,802)
R&D/Patent Box enhanced deduction estimate	(100,000)	(100,000)
Deferred tax	25,131	50,729
Adjustment in tax change rate	(17,672)	-
Total tax charge	<u>187,034</u>	<u>190,601</u>
7. DIVIDENDS		
	31.12.23	31.12.22
	£	£
Ordinary A shares of £1 each		
Interim	<u>657,067</u>	<u>1,828,551</u>
8. INTANGIBLE FIXED ASSETS		
		Patents and licences £
COST		
At 1 January 2023 and 31 December 2023		<u>5,727</u>
AMORTISATION		
At 1 January 2023		4,774
Amortisation for year		<u>288</u>
At 31 December 2023		<u>5,062</u>
NET BOOK VALUE		
At 31 December 2023		<u>665</u>
At 31 December 2022		<u>953</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

9. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2023	175,173	1,528,988	583,960	-	2,288,121
Additions	52,238	33,165	26,929	45,289	157,621
At 31 December 2023	<u>227,411</u>	<u>1,562,153</u>	<u>610,889</u>	<u>45,289</u>	<u>2,445,742</u>
DEPRECIATION					
At 1 January 2023	107,135	1,050,107	494,999	-	1,652,241
Charge for year	15,816	71,106	28,973	3,774	119,669
At 31 December 2023	<u>122,951</u>	<u>1,121,213</u>	<u>523,972</u>	<u>3,774</u>	<u>1,771,910</u>
NET BOOK VALUE					
At 31 December 2023	<u>104,460</u>	<u>440,940</u>	<u>86,917</u>	<u>41,515</u>	<u>673,832</u>
At 31 December 2022	<u>68,038</u>	<u>478,881</u>	<u>88,961</u>	<u>-</u>	<u>635,880</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 January 2023	39,959	-	39,959
Additions	-	45,289	45,289
Transfer to ownership	(39,959)	-	(39,959)
At 31 December 2023	<u>-</u>	<u>45,289</u>	<u>45,289</u>
DEPRECIATION			
At 1 January 2023	19,100	-	19,100
Charge for year	-	3,774	3,774
Transfer to ownership	(19,100)	-	(19,100)
At 31 December 2023	<u>-</u>	<u>3,774</u>	<u>3,774</u>
NET BOOK VALUE			
At 31 December 2023	<u>-</u>	<u>41,515</u>	<u>41,515</u>
At 31 December 2022	<u>20,859</u>	<u>-</u>	<u>20,859</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

10. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 January 2023 and 31 December 2023	<u>4,814,000</u>
NET BOOK VALUE	
At 31 December 2023	<u>4,814,000</u>
At 31 December 2022	<u>4,814,000</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Alpha-Cure Asia Limited

Registered office: Factory No.2, Qingpu Export Processing Zone, Qingpu, 201707, Shanghai, China
Nature of business: Manufacture and sale of UV and Metal Halide lamps

	%		
Class of shares:	holding		
Ordinary	75.00		
		31.12.23	31.12.22
		£	£
Aggregate capital and reserves		5,520,441	5,761,844
Profit for the year		<u>742,931</u>	<u>956,638</u>

Alpha-Cure Asia Limited is a 75% subsidiary of Alpha-Cure Holdings Limited, which is a 100% subsidiary of Alpha-Cure Limited.

Alpha-Cure Deutschland GmbH

Registered office: Von-Siemens-Straße 5,48346 Ostbevern, Deutschland, 48165 Ostbevern, Germany
Nature of business: Sale of UV and Metal Halide lamps

	%		
Class of shares:	holding		
Ordinary	100.00		
		31.12.23	31.12.22
		£	£
Aggregate capital and reserves		350,498	343,209
Profit for the year		<u>14,677</u>	<u>6,357</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

10. **FIXED ASSET INVESTMENTS - continued**

Alpha-Cure (Jiangsu) Co. LTD

Registered office: 1360 Nanyuan West Road, Qidong Economic Development Zone, Qidong, Jiangsu 226200, China
Nature of business: Manufacture and sale of UV and Metal Halide lamps

Class of shares:	%		
Ordinary	holding		
	75.00	31.12.23	31.12.22
		£	£
Aggregate capital and reserves		5,479,034	5,957,863
Profit for the year		<u>532,263</u>	<u>455,387</u>

Alpha-Cure (Jiangsu) Co. LTD is a 100% subsidiary of Alpha-Cure Asia Limited, which is a 75% subsidiary of Alpha-Cure Holdings Limited, which is a 100% subsidiary of Alpha-Cure Limited.

Alpha Cure Australia PTY LTD

Registered office: 27 Ashburton Avenue, West Lakes Shore, SA 5020 Australia
Nature of business: Sale of UV and Metal Halide lamps

Class of shares:	%		
Ordinary	holding		
	100.00	30.6.23	30.6.22
		£	£
Aggregate capital and reserves		12,691	13,009
Profit/(loss) for the year		<u>680</u>	<u>(12,770)</u>

Alpha-Cure Holdings Limited

Registered office: Leonard House Great Central Way, Woodford Halse, Daventry, England, NN11 3PZ
Nature of business: Holding Company

Class of shares:	%		
Ordinary	holding		
	100.00	31.12.23	31.12.22
		£	£
Aggregate capital and reserves		505,821	511,614
Profit for the year		<u>405,533</u>	<u>709,451</u>

Associated company

Alpha-Cure France Limited

Registered office: ZA Le Messac, 37240 Bossee, France
Nature of business: Sale of UV and Metal Halide lamps

Class of shares:	%		
Ordinary	holding		
	49.00	31.12.23	31.12.22
		£	£
Aggregate capital and reserves		426,619	465,497
Profit for the year		<u>47,712</u>	<u>119,597</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 202310. **FIXED ASSET INVESTMENTS - continued**

In the fixed asset investments note above, the comparative balances for 31/12/22 are restated for all group companies.

11. **STOCKS**

	31.12.23	31.12.22
	£	£
Stocks	<u>1,969,009</u>	<u>2,131,806</u>

The Company use the methodology of FIFO to value their stock.

12. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.23	31.12.22
	£	£
Trade debtors	1,385,723	1,568,490
Amounts owed by group undertakings	1,248,192	855,541
Other debtors	27,832	8,160
Directors' current accounts	116,245	27,782
Tax	26,270	26,126
Prepayments	14,995	13,496
	<u>2,819,257</u>	<u>2,499,595</u>

13. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.23	31.12.22
	£	£
Bank loans and overdrafts (see note 15)	238,370	-
Other loans (see note 15)	-	45,000
Hire purchase contracts (see note 16)	17,074	10,000
Trade creditors	276,577	168,243
Amounts owed to group undertakings	5,388,752	5,324,370
Tax	173,864	521,724
Social security and other taxes	48,228	48,525
VAT	219,675	193,701
Other creditors	61,211	10,423
Directors' current accounts	10,750	222,131
Accrued expenses	23,392	152,325
	<u>6,457,893</u>	<u>6,696,442</u>

14. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.12.23	31.12.22
	£	£
Hire purchase contracts (see note 16)	<u>24,019</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

15. **LOANS**

An analysis of the maturity of loans is given below:

	31.12.23	31.12.22
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	238,370	-
Other loans	-	45,000
	<u>238,370</u>	<u>45,000</u>

16. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	31.12.23	31.12.22
	£	£
Net obligations repayable:		
Within one year	17,074	10,000
Between one and five years	24,019	-
	<u>41,093</u>	<u>10,000</u>
	Non-cancellable operating leases	
	31.12.23	31.12.22
	£	£
Within one year	118,494	80,500
Between one and five years	107,064	161,000
	<u>225,558</u>	<u>241,500</u>

17. **SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.23	31.12.22
	£	£
Bank overdraft	238,370	-
Other loans	-	45,000
Hire purchase contracts	41,093	10,000
	<u>279,463</u>	<u>55,000</u>

National Westminster Bank Plc hold debentures dated 2 January 2007 and 8 May 2008 including a first fixed charge on book debts and other debts.

All finance lease and hire purchase contracts are secured on assets financed (see note 6).

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

18. PROVISIONS FOR LIABILITIES

	31.12.23	31.12.22
	£	£
Deferred tax		
Accelerated capital allowances	<u>182,192</u>	<u>157,061</u>
		Deferred tax
		£
Balance at 1 January 2023		157,061
Accelerated capital allowances		25,131
Increase in corporation tax rate		
Balance at 31 December 2023		<u>182,192</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.23	31.12.22
			£	£
26	Ordinary A	£1	26	26
78	Ordinary B	£1	78	78
			<u>104</u>	<u>104</u>

20. RESERVES

	Retained earnings	Share premium	Capital redemption reserve	Totals
	£	£	£	£
At 1 January 2023	3,329,016	287,991	5	3,617,012
Profit for the year	1,378,500			1,378,500
Dividends	(657,067)			(657,067)
At 31 December 2023	<u>4,050,449</u>	<u>287,991</u>	<u>5</u>	<u>4,338,445</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

21. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 31 December 2023 and 31 December 2022:

	31.12.23	31.12.22
	£	£
S P Atherstone		
Balance outstanding at start of year	26,196	26,181
Amounts advanced	-	15
Amounts repaid	(51)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>26,145</u>	<u>26,196</u>
S Haines		
Balance outstanding at start of year	1,585	1,175
Amounts advanced	78,625	410
Amounts repaid	(19,678)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>60,532</u>	<u>1,585</u>
M A Slater		
Balance outstanding at start of year	-	28,808
Amounts advanced	29,568	10,644
Amounts repaid	-	(39,452)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>29,568</u>	<u>-</u>

No interest is charged on Directors' Loans balances. Directors' Loans are repayable on demand.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

22. RELATED PARTY DISCLOSURES

During the year the company traded with other companies within the group.

	31.12.23	31.12.22
£		
£		
Trade balances outstanding at the year-end with group companies are:		
Owed to Alpha-Cure Limited		
Alpha-Cure Asia (Subsidiary)	111,884	98,777
Alpha-Cure France (Associate)	30,010	37,027
Alpha-Cure Australia (Subsidiary)	6,858	12,618
Alpha-Cure Deutschland (Subsidiary)	5,766	-
Owed by Alpha-Cure Limited		
Alpha-Cure Asia (Subsidiary)	360,920	293,188
Alpha-Cure Deutschland (Subsidiary)	1,714	-
Alpha-Cure RBS (Pension Scheme)	46,001	8,050
Loans outstanding at the year end with group companies are:		
Owed to Alpha-Cure Limited		
Alpha-Cure Holdings Ltd (Subsidiary)	1,130,541	756,763
Owed by Alpha-Cure Limited		
Alpha-Cure Group Ltd (Parent Company)	4,526,000	4,526,000
Alpha-Cure Holdings Ltd (Subsidiary)	505,181	505,181
Alpha-Cure RBS (Pension Scheme)	-	45,000
Sales to related parties in the year were		
Alpha-Cure Asia (Subsidiary)	479,003	750,205
Alpha-Cure Australia (Subsidiary)	50,992	56,185
Alpha-Cure Deutschland (Subsidiary)	181,265	274,093
Alpha-Cure France (Subsidiary)	227,960	257,384
Purchases from related parties in the year were		
Alpha-Cure Asia (Subsidiary)	2,742,852	3,256,118
Alpha-Cure RBS (Pension Scheme)	112,126	80,500
Alpha-Cure Deutschland (Subsidiary)	1,715	-

During the year, a total of key management personnel compensation of £ 380,849 (2022 - £ 247,246) was paid.

23. POST BALANCE SHEET EVENTS

In September 2024, the company purchased production line assets from USA for \$1,500,000. This product line manufactures pressure lamps which incorporate UV technology. Production from this product line is likely to start in 2025 and will have a favourable impact of business growth and profitability.

24. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Alpha-Cure Group Limited (a Company registered in England and Wales) by virtue of its majority shareholding.

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.