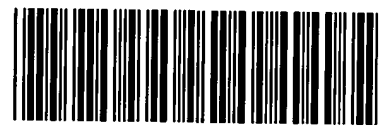

HARWIN PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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HARWIN PLC

COMPANY INFORMATION

Directors	D P de Laszlo CBE DL W P de Laszlo A R McQuilken H S Mighell J D Churchill (appointed 1 April 2025)
Company secretary	H S Mighell
Registered number	00509831
Registered office	Fitzherbert Road Farlington Portsmouth PO6 1RT
Independent auditor	S&W Audit Chartered Accountants & Statutory Auditor Cumberland House 15-17 Cumberland Place Southampton SO15 2BG
Principal Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP

HARWIN PLC

CONTENTS

	Page
Group Strategic Report	1 - 6
Directors' Report	7 - 9
Directors' Responsibilities Statement	10
Independent Auditor's Report	11 - 15
Consolidated Statement of Comprehensive Income	16
Consolidated Balance Sheet	17 - 18
Company Balance Sheet	19 - 20
Consolidated Statement of Changes in Equity	21
Company Statement of Changes in Equity	22
Consolidated Statement of Cash Flows	23 - 24
Consolidated Analysis of Net Debt	25
Notes to the Financial Statements	26 - 50

HARWIN PLC

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2025

Introduction

The directors present their Strategic Report for the year ended 31 March 2025.

Principal activity and business review

Harwin manufactures high reliability connectors and associated PCB hardware. The business operates from high-tech manufacturing and research and development facilities in Portsmouth supported by sales focused subsidiaries in the USA, Germany and Singapore and a procurement subsidiary also in Singapore. The group sells through a network of distributors ensuring a truly global customer base. Established in 1952 Harwin has built a reputation for engineering components to the highest possible standards and invests significant amounts researching new and improved manufacturing techniques, tooling and product development as well as acquiring the latest capital equipment to ensure it is at the forefront of available technology at every level.

As detailed below, Harwin is building a new facility, adjoining its main site, for use in 2026. This significant investment emphasises Harwin's commitment to UK manufacturing and provides a statement of its intent to continue to grow the business over the coming years.

Financial performance

The group profit before taxation for the year ended 31 March 2025 at £10.2m was less than the prior year (2024 - £14.4m), impacted by sales 3% lower at £59.2m compared with £60.7m in the year ended 31 March 2024 and overhead increases, notably salary costs.

As noted in last year's report the connector market worldwide was expected by Harwin's distributors to be lower in 2024, partly driven by subdued end-user demand and inventory management by distributors. The Group is servicing markets in high growth areas such as UAVs, satellites and electronic vehicles and has not suffered in the same way as some of its competitors, but has not been immune to the general slowdown. Also, as anticipated in last year's report 2025 has seen the market resume growth and sales for the final quarter ended 31 March 2025 showed significant growth on the prior year. This trend has continued with sales in the first quarter to 30 June 2025 significantly ahead of the same period in 2024, despite the volatility in the US market caused by the introduction of tariffs in April 2025.

The gross margin was 46% compared with 50% in the prior year. Harwin successfully increased selling prices in the year, but not enough to cover cost inflation. Harwin's UK manufacturing base means much of its product cost is GBP based while the Group's largest market buys in USD, hence fluctuations in exchange rates can impact margin; the recent weakness of the USD is likely to impact margins moving forward. Higher direct labour costs as noted in the next paragraph, impacted margins.

HARWIN PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Administrative and distribution expenses increased in the year by 8% to £17.6m (2024 - £16.3m). In particular, salary costs for the year grew from £13.2m to £14.5m. Group employee numbers were 315 by 31 March 2025, minimal change on the prior year, the increase in costs arising principally from the wage inflation that existed throughout 2024. Other than the annual apprentice intake, employee numbers are not expected to change significantly in the current year.

Profit performance converted into operating cash flows of £8.0m (2024 - £12.3m). This cash was fully utilised for capital expenditure, particularly on the new factory as noted below such that at the year-end Harwin had cash on hand of £13.4m (2024 - £15.1m).

Harwin does not have bank borrowings. It does purchase some capital equipment through hire purchase agreements, financed at fixed rates at the time of entering the contract. The company has benefited from receiving interest on cash deposits in the year.

Operating facilities

Harwin commenced building work in October 2024 for a new four-story production, research and development and warehousing facility, comprising more than 4,500 square metres on a site, adjoining the main factory. The £33m project is expected to be finished and ready for occupation by June 2026. The building will provide significant scope for new product research and development, machine design and build and expanded production facilities for future growth as well as enabling Harwin to consolidate some smaller manufacturing sites it utilises generating greater productivity.

Harwin rents its operating facilities in the UK from a fellow subsidiary of the Company's parent. A new warehouse was opened in July 2024, on a site acquired by the fellow subsidiary in 2023, close to the main facility.

Other investment

Harwin invested £11.7m in capital expenditure during the year of which £5.4m related to the new building. The other key areas of expense were focussed on expanding production capacity and a new facility was built to expand the cable assembly facilities in the year.

R&D expenditure in the year was £1.5m. The company continues to develop new robotic production lines to improve productivity and expand capacity.

Harwin continues to invest in its ERP systems and in April 2025 upgraded to the new, improved IFS Cloud version which enables seamless updates, greater scalability and smarter automation across the enterprise.

HARWIN PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Key performance indicators

In addition to monitoring sales, gross margins, net profit and operating cash flow as key indicators the Directors are heavily focussed on assessing the potential, and subsequent measuring, of the return on investment from capital expenditure, research and development activities and new product development. All three of these areas are seen as crucial investment areas to ensure the future success of the company.

Overseas entities

Harwin incorporated a new subsidiary in Germany in the year, Harwin GmbH, as it expands its international based team to provide technical and administrative support to Harwin's local distributors, visit end user customers and attend trade shows. Harwin has well established subsidiaries, in USA and Singapore; the Singapore team is also responsible for procurement of product from Asian based suppliers.

The US is a key market for Harwin and the well-publicised tariffs introduced by the Trump Administration mean that US distributors are now having to pay a 10% tariff on all Harwin manufactured product. The distributors are passing on the increase to its customers and their expectation is that if tariffs remain at 10% sales will not be materially affected. The longer term impact on the US economy and Harwin's sales is uncertain.

Other key risks

Currency fluctuations represent a key risk for the company. Sales in foreign currencies, mainly US Dollars and Euro, are mitigated to a certain extent by purchases in the same currencies. The company does not hedge against currency fluctuations.

Availability of suitably qualified engineering staff remains an issue for the company. To mitigate this Harwin runs an apprenticeship program to build its teams from internal resources, with up to ten new school leavers joining the scheme each year.

HARWIN PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Other matters and future developments

On 1 April 2025 Damon de Laszlo stood down as Executive Chairman and was replaced by his son, William. Damon's vision and leadership over many years and commitment to UK manufacturing has seen Harwin consistently reinvest profits to remain at the cutting edge of technology in the sector, developing new products to meet the needs of engineers and expand the business significantly. Damon was awarded a CBE for Services to the Manufacturing Industry in the Kings 2025 Birthday Honours list. Damon will remain as a non-executive director supporting the leadership team.

Paul McGuinness retired as Operations Director on 31 March 2025. Jon Churchill, who joined Harwin on 1 January, was appointed Operations Director on 1 April.

As noted, sales in the first quarter to 30 June 2025 are well ahead of the same period in 2024. The Directors remain confident that the investment made in Harwin's production facilities, people and systems improvements makes the group well positioned to maintain its growth profile in the coming years.

Harwin supported GB Row Challenge again this year, which in turn helps provide research for Portsmouth University into sea conditions around the UK.

Section 172 statement

Consequences of long-term decision making

Harwin makes superior products of the highest quality for demanding applications expected to last for many years. Our UK headquarters carries EN9100 / AS9100D certification helping the Company to effectively identify, evaluate, manage and mitigate the risks of long-term supply relationships. We focus on quality, safety and technology. We continually improve our quality systems and invest in advanced manufacturing and automation to ensure our product range is enhanced.

Interest of employees

Our employees are fundamental to our long-term objectives and strategies and Harwin aims to be a responsible employer as regards pay and benefits and in particular, health and safety which is central to the way the Company does business. As discussed in the Strategic Report, significant pay rises were awarded in the year and the development of the next generation of engineers is crucial and Harwin has expanded its apprentice scheme since 2021.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Fostering business relationships with suppliers, customers and others

To maintain future growth the nature of the relationship with key customers and suppliers is crucial. Each board member plays a significant role in this approach seeking to extend long-term relationships with both customers and suppliers with regular visits overseas. Harwin utilises the latest technologies and systems to bolster this approach working in tandem with distribution customers to improve point of sale analysis. The integration of the supply chain with the Company's manufacturing resources helps to ensure the future growth and profitability of the Company.

Impact on community and the environment

Harwin take the impact on the community seriously, supporting it in many ways most notably 5 years ago in 2020 in conjunction with its fellow subsidiary Harwin agreed to provide and fund a new, improved facility for the Portsmouth School of Gymnastics.

Harwin has taken measures to reduce the carbon footprint in recent years including such investments as a water treatment plant attached to one of its manufacturing processes to purify and recycle water that would otherwise flow back into the local ecosystem. The Company also has solar panels on the factory roofs.

Using our positions within the local community to deliver the highest standards of education, while offering a cutting-edge working environment adds value throughout the organisation.

Maintaining a reputation for high standards

As noted in the investment discussion in the Strategic Report Harwin strives to remain at the cutting edge of technology by investing constantly in new equipment.

The EN9100 accreditation sets an incredibly high standard for the business to operate within and the employees take great personal pride in maintain these standards day to day.

Acting fairly between directors/members of the Company

As the board of directors, our intention is to behave responsibly toward our shareholders with clear communication so they may benefit from the successful delivery of our plan.

HARWIN PLC

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

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

Damon de Laszlo

Damon de Laszlo (Sep 24, 2025 10:43:06 GMT+1)

D P de Laszlo CBE DL

Director

Date: 24/09/2025

HARWIN PLC

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2025**

The directors present their report and the financial statements for the year ended 31 March 2025.

Results and dividends

The profit for the year, after taxation, amounted to £8,335k (2024 -£10,549k).

Dividends of £Nil (2024 - £5,000k) were paid in the year.

Directors

The directors who served during the year were:

D P de Laszlo CBE DL
W P de Laszlo
A R McQuilken
H S Mighell
P D McGuinness (resigned 31 March 2025)

Disabled employees

Harwin's policy is to ensure full and fair consideration is given to employment applications by disabled persons and to ensure continuous employment where practically possible for any employees who become disabled whilst working in the Group.

HARWIN PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Energy and Carbon Reporting

The Company has appointed independent consultants to determine the carbon emissions associated with operations in the year. Calculations by scope are shown in the table below.

Scope	Emissions Source	2025 Tonnes CO2e	2024 Tonnes CO2e
1	Natural gas	48.6	40.3
1	Company vehicles	6.9	6.1
2	Electricity	892.4	891.1
3	Fuel and Energy related activities	303.6	295.3
3	Personal vehicles	20.9	9.1
3	Hotels	46.0	-
3	Flights	163.2	-
3	Rail travel	1.3	-
3	Taxis	16	-
	TOTAL	1,499.1	1,241.7

The Company is working with its consultants to develop a carbon reduction plan that will in turn lead to net-zero status.

Matters covered in the Strategic Report

Where necessary, disclosures relating to principal risks & uncertainties and future developments have been made in the Strategic Report and have not been repeated here in accordance with Section 414C of the Companies Act 2006.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Auditor

The auditor, S&W Audit (a trading name of S&W Partners Audit Limited and formerly CLA Evelyn Partners Limited), will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

HARWIN PLC

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

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

Damon de Laszlo

Damon de Laszlo (Sep 24, 2025 10:43:06 GMT+1)

D P de Laszlo CBE DL

Director

Date: 24/09/2025

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025**

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARWIN PLC

Opinion

We have audited the financial statements of Harwin Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt and the notes to the financial statements, including 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 Group's and of the Parent Company's affairs as at 31 March 2025 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent 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 Group and Parent 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.

HARWIN PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARWIN PLC (CONTINUED)

Other information

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

We have nothing to report in this regard.

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 the light of the knowledge and understanding of the Group and the Parent Company and their 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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 AUDITOR'S REPORT TO THE MEMBERS OF HARWIN PLC (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 10 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's and the 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 either intend to liquidate the Group or the 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained a general understanding of the Group and Company's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the Group and Company's industry and regulation.

We understand that the Company complies with the framework through:

For a business which is only subject to "normal" requirements such as Health and Safety, tax or consumer legislation, we may simply state, for example:

- Outsourcing accounts preparation and tax compliance to external experts.
- Subscribing to relevant updates from external experts and making changes to internal procedures and controls as necessary.
- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change.

HARWIN PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARWIN PLC (CONTINUED)

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the Company's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.
- Health & Safety regulations, due to the nature of the Group's operations.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur.

The areas identified in this discussion were:

- Stock provision and bad debt provision, as these are estimates made by management.
- Payment of bonuses based on profits, which creates an incentive for management to manipulate results.
- Manipulation of the financial statements, especially revenue, via fraudulent journal entries, particularly as the size of the Company means that there is little opportunity for segregation of duties.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Challenging management regarding the assumptions used in the estimates identified above, and comparison to past performance and post-year-end data as appropriate.
- Substantive work on material areas affecting profits.
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts and those posted at unusual times.


A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

HARWIN PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARWIN PLC (CONTINUED)

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.


S&W Audit (Sep 24, 2025 12:21:25 GMT+1)

Andrew Edmonds (Senior Statutory Auditor)

for and on behalf of

S&W Audit

Chartered Accountants
Statutory Auditor

Cumberland House
15-17 Cumberland Place
Southampton
SO15 2BG

Date: 24/09/2025

HARWIN PLC

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	2025 £000	2024 £000
Turnover	4	59,180	60,749
Cost of sales		(31,801)	(30,383)
Gross profit		27,379	30,366
Distribution costs		(5,441)	(5,967)
Administrative expenses		(12,121)	(10,340)
Other operating income		81	104
Operating profit	5	9,898	14,163
Interest receivable and similar income	9	500	353
Interest payable and similar expenses	10	(229)	(151)
Profit before tax		10,169	14,365
Tax on profit	11	(1,834)	(3,816)
Profit for the financial year		8,335	10,549
Other comprehensive income for the year			
Currency translation differences		324	(61)
Total comprehensive income for the year		8,659	10,488

The notes on pages 26 to 50 form part of these financial statements.

HARWIN PLC
REGISTERED NUMBER:00509831

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2025

	Note	2025 £000	2024 £000
Fixed assets			
Tangible assets	13	28,842	21,460
		<u>28,842</u>	<u>21,460</u>
Current assets			
Stocks	15	18,802	16,633
Debtors: amounts falling due within one year	16	11,111	10,058
Cash at bank and in hand	17	13,430	15,117
		<u>43,343</u>	<u>41,808</u>
Creditors: amounts falling due within one year	18	(8,162)	(8,516)
		<u>35,181</u>	<u>33,292</u>
Net current assets		35,181	33,292
Total assets less current liabilities		64,023	54,752
Creditors: amounts falling due after more than one year	19	(4,020)	(3,783)
Provisions for liabilities			
Deferred tax	21	(3,536)	(3,161)
Net assets		56,467	47,808
Capital and reserves			
Called up share capital	22	213	213
Share premium account	23	1,522	1,522
Profit and loss account	23	54,732	46,073
Shareholders' funds		56,467	47,808

HARWIN PLC
REGISTERED NUMBER:00509831

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

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

Damon de Laszlo

Damon de Laszlo (Sep 24, 2025 10:43:06 GMT+1)

D P de Laszlo CBE DL

Director

Date: 24/09/2025

The notes on pages 26 to 50 form part of these financial statements.

HARWIN PLC
REGISTERED NUMBER:00509831

COMPANY BALANCE SHEET
AS AT 31 MARCH 2025

	Note	2025 £000	2024 £000
Fixed assets			
Tangible assets	13	27,882	20,386
Investments	14	556	556
		<u>28,438</u>	<u>20,942</u>
Current assets			
Stocks	15	17,939	16,017
Debtors: amounts falling due within one year	16	10,197	9,155
Cash at bank and in hand	17	12,378	13,992
		<u>40,514</u>	<u>39,164</u>
Creditors: amounts falling due within one year	18	(8,265)	(7,098)
Net current assets		32,249	32,066
Creditors: amounts falling due after more than one year	19	(3,672)	(3,047)
Provisions for liabilities			
Deferred taxation	21	(3,531)	(3,156)
Net assets		53,484	46,805
Capital and reserves			
Called up share capital	22	213	213
Share premium account	23	1,522	1,522
Profit and loss account brought forward		45,070	37,595
Profit for the year		6,679	12,475
Dividends		-	(5,000)
		<u>51,749</u>	<u>45,070</u>
Profit and loss account carried forward	23	51,749	45,070
Shareholders' funds		53,484	46,805

HARWIN PLC
REGISTERED NUMBER:00509831

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

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

Damon de Laszlo

Damon de Laszlo (Sep 24, 2025 10:43:06 GMT+1)

D P de Laszlo CBE DL

Director

Date: 24/09/2025

The notes on pages 26 to 50 form part of these financial statements.

HARWIN PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 April 2023	213	1,522	40,585	42,320
Comprehensive income for the year				
Profit for the year	-	-	10,549	10,549
Currency translation differences	-	-	(61)	(61)
Total comprehensive income for the year	-	-	10,488	10,488
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(5,000)	(5,000)
At 1 April 2024	213	1,522	46,073	47,808
Comprehensive income for the year				
Profit for the year	-	-	8,335	8,335
Currency translation differences	-	-	324	324
Total comprehensive income for the year	-	-	8,659	8,659
At 31 March 2025	213	1,522	54,732	56,467

HARWIN PLC

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 April 2023	213	1,522	37,595	39,330
Comprehensive income for the year				
Profit for the year	-	-	12,475	12,475
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(5,000)	(5,000)
At 1 April 2024	213	1,522	45,070	46,805
Comprehensive income for the year				
Profit for the year	-	-	6,679	6,679
At 31 March 2025	213	1,522	51,749	53,484

HARWIN PLC

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025**

	2025	2024
	£000	£000
Cash flows from operating activities		
Profit for the financial year	8,335	10,549
Adjustments for:		
Depreciation of tangible assets	3,328	2,723
Impairment of fixed assets	173	208
(Profit)/Loss on disposal of tangible assets	(206)	(85)
Interest paid	229	151
Interest received	(500)	(353)
Taxation charge	1,834	3,816
(Increase) in stocks	(2,186)	(1,656)
(Increase) in debtors	(198)	(1,886)
Increase in creditors	1,152	349
Corporation tax (paid)	(3,917)	(1,533)
	8,044	12,283
Cash flows from investing activities		
Purchase of tangible fixed assets	(9,034)	(4,572)
Sale of tangible fixed assets	1,047	151
Interest received	500	353
	(7,487)	(4,068)

HARWIN PLC

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

	2025 £000	2024 £000
Cash flows from financing activities		
Repayment of finance leases	(2,345)	(619)
Dividends paid	-	(5,000)
HP interest paid	(229)	(151)
Net cash used in financing activities	(2,574)	(5,770)
Net (decrease)/increase in cash and cash equivalents	(2,017)	2,445
Cash and cash equivalents at beginning of year	15,117	12,720
Foreign exchange gains and losses	330	(48)
Cash and cash equivalents at the end of year	13,430	15,117
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	13,430	15,117
	13,430	15,117

HARWIN PLC

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2025

	At 1 April 2024 £000	Cash flows £000	New finance leases £000	At 31 March 2025 £000
Cash at bank and in hand	15,117	(1,687)	-	13,430
Finance leases	(5,621)	(3,033)	2,689	(5,965)
	<u>9,496</u>	<u>(4,720)</u>	<u>2,689</u>	<u>7,465</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1. General information

Harwin Plc is a public company, limited by shares, domiciled and incorporated in England and Wales (registered number: 00509831). The registered office address is Fitzherbert Road, Farlington, Portsmouth, PO6 1RT.

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 judgement 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.

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation for the Group and the Parent Company would be identical;
- No Statement of Cash Flows has been presented for the Parent Company; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2. Accounting policies (continued)

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 Balance Sheet, 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.

2.3 Going concern

The directors have carefully reviewed the future prospects of the Company and its future cash flows.

The Group has continued to trade profitably and given the significant level of cash and liquid reserves available the directors have concluded that there are no material uncertainties that may cause doubt on the Group's ability to continue as a going concern for the foreseeable future being at least 12 months from the signing of these accounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

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 profit or loss 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 profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods

Turnover 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 turnover 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.

2.6 Operating leases: the Group as lessee

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

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

2.7 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 is recognised as an expense when it is incurred.

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.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.9 Finance costs

Finance costs are charged to profit or loss 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 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Freehold property	- 4% of value
Plant and machinery	- between 10% and 25% of cost
Computer equipment	- 25% of cost
Assets under construction	- Not depreciated until available for use

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

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

Assets under construction

Upon completion of construction the asset is transferred to its attributable category and depreciated in line with the estimated useful lives policy.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.11 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 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 weighted average basis. Work in progress and finished goods include labour and attributable overheads.

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

2.14 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 profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.15 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.16 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 profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet 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 Balance Sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2. Accounting policies (continued)

2.17 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.19 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company 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 balance sheet 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

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

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

The judgements, estimates and assumptions are evaluated at each reporting date and are based on historical experience as adjusted for current market conditions and other factors. Management makes estimates and assumptions concerning the future in preparing the financial statements and the actual results will not always reflect the accounting estimates made. The estimates and assumptions that had a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Group are outlined below.

The directors consider that the following judgements and key sources of estimation uncertainty have had the most significant effect on amounts recognised in the financial statements:

Trade debtors

Trade debtors consist of amounts due from customers. An allowance for credit notes is maintained for estimated returns. The allowance is based on the Group's historic data and levels of credit notes issued. At the year end, there was a provision of £878k (2024 - £1,164k).

Stock

Certain factors could affect the realisable value of the Group's stocks including customer demand and market conditions. The Group considers usage, anticipated sales price, effect of new product introductions, product obsolescence and other factors when evaluating the value. At the year end, there was a stock provision of £3,173k (2024 - £2,909k).

Tangible fixed assets

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

HARWIN PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

4. Turnover

The whole of the turnover is attributable to the sale of manufactured hardware.

The Group operates and sells in various geographical markets. Many of the Group's customers are distribution companies with central warehousing facilities.

Analysis of turnover by country of destination:

	2025	<i>2024</i>
	£000	<i>£000</i>
United Kingdom	4,173	<i>4,199</i>
Rest of Europe	18,975	<i>21,940</i>
Rest of the world	36,032	<i>34,610</i>
	59,180	<i>60,749</i>

5. Operating profit

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

	2025	<i>2024</i>
	£000	<i>£000</i>
Research & development charged as an expense	1,481	<i>1,910</i>
Depreciation - owned assets	1,546	<i>1,321</i>
Depreciation - assets on hire purchase contracts	1,782	<i>1,402</i>
Operating lease rental	923	<i>819</i>
(Profit)/loss on disposal of fixed assets	(206)	<i>(85)</i>
Foreign exchange differences	(6)	<i>67</i>

HARWIN PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

6. Auditor's remuneration

	2025	<i>2024</i>
	£000	<i>£000</i>
Fees payable to the Group's auditor and its associates for the audit of the consolidated and parent Company's financial statements	45	<i>42</i>
Fees payable to the Group's auditor and its associates in respect of:		
All other services	7	<i>96</i>
	<u>45</u>	<i><u>138</u></i>

7. Employees

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

	Group	<i>Group</i>	Company	<i>Company</i>
	2025	<i>2024</i>	2025	<i>2024</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Wages and salaries	12,688	<i>11,149</i>	10,956	<i>9,836</i>
Social security costs	1,185	<i>1,452</i>	1,156	<i>1,000</i>
Cost of defined contribution scheme	667	<i>644</i>	653	<i>591</i>
	<u>14,540</u>	<i><u>13,245</u></i>	<u>12,765</u>	<i><u>11,427</u></i>

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

	Group	<i>Group</i>	Company	<i>Company</i>
	2025	<i>2024</i>	2025	<i>2024</i>
	No.	<i>No.</i>	No.	<i>No.</i>
Production	203	<i>213</i>	203	<i>213</i>
Distribution	36	<i>22</i>	36	<i>22</i>
Administration	77	<i>61</i>	42	<i>29</i>
	<u>316</u>	<i><u>296</u></i>	<u>281</u>	<i><u>264</u></i>

HARWIN PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

8. Directors' remuneration

	2025	2024
	£000	£000
Directors' emoluments	639	582
Directors' pension costs	130	129
	<u>769</u>	<u>711</u>

During the year retirement benefits were accruing to 4 directors (2024 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £186k (2024 - £186k).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £60k (2024 - £60k).

9. Interest receivable and similar income

	2025	2024
	£000	£000
Deposit account interest	<u>500</u>	<u>353</u>

10. Interest payable and similar expenses

	2025	2024
	£000	£000
Finance leases and hire purchase contracts	<u>229</u>	<u>151</u>

HARWIN PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

11. Taxation

	2025	2024
	£000	£000
Corporation tax		
Current tax on profits for the year	1,701	2,750
Adjustments in respect of previous periods	(264)	369
Total current tax	<u>1,437</u>	<u>3,119</u>
Deferred tax		
Origination and reversal of timing differences	397	907
Adjustments in respect of previous periods	-	(210)
Total deferred tax	<u>397</u>	<u>697</u>
Taxation on profit on ordinary activities	<u>1,834</u>	<u>3,816</u>

HARWIN PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2024 -higher than) the standard rate of corporation tax in the UK of 25% (2024 - 25%). The differences are explained below:

	2025 £000	2024 £000
Profit on ordinary activities before tax	<u>10,169</u>	<u>14,365</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024 - 25%)	2,542	3,591
Effects of:		
Income not taxable for tax purposes	-	(4)
Expenses not deductible for tax purposes	49	18
Fixed asset differences	(459)	873
Adjustments to corporation tax charge in respect of prior periods	(41)	369
Adjustments to deferred tax charge in respect of prior periods	(231)	(210)
Group income	(100)	(498)
Research and development tax charge	74	-
Research and development refund in respect of current year	-	(323)
Total tax charge for the year	<u><u>1,834</u></u>	<u><u>3,816</u></u>

Factors that may affect future tax charges

The current year rate of 25% arises from changes to legislation enacted during 2021. The main rate of corporation tax in the UK increased from 19% to 25% with effect from 1 April 2023.

12. Dividends

	2025 £000	2024 £000
Dividends paid	<u>-</u>	<u>5,000</u>

HARWIN PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

13. Tangible fixed assets

Group

	Freehold property £000	Plant and machinery £000	Computer equipment £000	Assets under construction £000	Total £000
Cost					
At 1 April 2024	522	30,602	1,455	5,022	37,601
Additions	123	2,444	204	8,952	11,723
Disposals	-	(1,884)	(91)	-	(1,975)
Transfers between classes	-	4,174	-	(4,174)	-
Impairment	-	-	-	(173)	(173)
At 31 March 2025	<u>645</u>	<u>35,336</u>	<u>1,568</u>	<u>9,627</u>	<u>47,176</u>
Depreciation					
At 1 April 2024	74	14,856	1,210	-	16,140
Charge for the year	-	3,203	125	-	3,328
Disposals	(74)	(914)	(146)	-	(1,134)
At 31 March 2025	<u>-</u>	<u>17,145</u>	<u>1,189</u>	<u>-</u>	<u>18,334</u>
Net book value					
At 31 March 2025	<u>645</u>	<u>18,191</u>	<u>379</u>	<u>9,627</u>	<u>28,842</u>
At 31 March 2024	<u>448</u>	<u>15,745</u>	<u>245</u>	<u>5,022</u>	<u>21,460</u>

The net book value of assets held under finance lease is £10,808k (2024 - £8,811k).

HARWIN PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

13. Tangible fixed assets (continued)

Company

	Plant and machinery £000	Computer equipment £000	Assets under construction £000	Total £000
Cost				
At 1 April 2024	29,929	1,318	5,022	36,269
Additions	1,930	263	8,952	11,145
Disposals	(1,282)	(91)	-	(1,373)
Transfers between classes	4,174	-	(4,174)	-
Impairment	-	-	(173)	(173)
At 31 March 2025	<u>34,751</u>	<u>1,490</u>	<u>9,627</u>	<u>45,868</u>
Depreciation				
At 1 April 2024	14,787	1,096	-	15,883
Charge for the year	2,967	125	-	3,092
Disposals	(902)	(86)	-	(988)
At 31 March 2025	<u>16,852</u>	<u>1,135</u>	<u>-</u>	<u>17,987</u>
Net book value				
At 31 March 2025	<u>17,899</u>	<u>355</u>	<u>9,627</u>	<u>27,881</u>
At 31 March 2024	<u>15,142</u>	<u>222</u>	<u>5,022</u>	<u>20,386</u>

HARWIN PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

14. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost	
At 1 April 2024	556
At 31 March 2025	<u>556</u>

Subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Harwin Inc	7B Raymond Avenue, Unit 11, Salem, NH 03079, USA	Ordinary	100%
Harwin Asia Pte Ltd	65 Chulia Street #38- 02/03, OCBC Centre, Singapore 049513	Ordinary	100%
Harwin Manufacturing Pte Limited	65 Chulia Street #38- 02/03, OCBC Centre, Singapore 049513	Ordinary	100%
Harwin GmbH	Bundeskanzlerplatz 2D, 53113 Bonn, Germany	Ordinary	100%

HARWIN PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

15. Stocks

	Group	<i>Group</i>	Company	<i>Company</i>
	2025	<i>2024</i>	2025	<i>2024</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Raw materials and consumables	5,637	6,844	5,637	6,844
Work in progress	1,486	1,417	1,452	1,373
Finished goods	11,679	8,372	10,850	7,800
	<u>18,802</u>	<u>16,633</u>	<u>17,939</u>	<u>16,017</u>

16. Debtors

	Group	<i>Group</i>	Company	<i>Company</i>
	2025	<i>2024</i>	2025	<i>2024</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Trade debtors	7,358	6,850	6,605	5,714
Amounts owed by group undertakings	-	-	304	761
Amounts owed by related companies	5	5	5	5
Other debtors	912	695	528	378
Prepayments and accrued income	1,931	2,508	1,846	2,297
Tax recoverable	905	-	909	-
	<u>11,111</u>	<u>10,058</u>	<u>10,197</u>	<u>9,155</u>

17. Cash and cash equivalents

	Group	<i>Group</i>	Company	<i>Company</i>
	2025	<i>2024</i>	2025	<i>2024</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Cash at bank and in hand	13,430	15,117	12,378	13,992

HARWIN PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

18. Creditors: Amounts falling due within one year

	Group	<i>Group</i>	Company	<i>Company</i>
	2025	<i>2024</i>	2025	<i>2024</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Trade creditors	3,984	<i>2,858</i>	3,398	<i>2,169</i>
Amounts owed to group undertakings	-	-	1,554	<i>235</i>
Amounts owed to related companies	39	<i>31</i>	39	<i>31</i>
Corporation tax	137	<i>1,714</i>	-	<i>1,569</i>
Other taxation and social security	391	<i>465</i>	300	<i>266</i>
Obligations under finance lease and hire purchase contracts	1,945	<i>1,838</i>	1,803	<i>1,631</i>
Other creditors	136	<i>112</i>	59	<i>68</i>
Accruals and deferred income	1,530	<i>1,498</i>	1,112	<i>1,129</i>
	8,162	<i>8,516</i>	8,265	<i>7,098</i>

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

	Group	<i>Group</i>	Company	<i>Company</i>
	2025	<i>2024</i>	2025	<i>2024</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Net obligations under finance leases and hire purchase contracts	4,020	<i>3,783</i>	3,672	<i>3,047</i>

HARWIN PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group	<i>Group</i>	Company	<i>Company</i>
	2025	<i>2024</i>	2025	<i>2024</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Within one year	1,803	<i>1,838</i>	1,803	<i>1,631</i>
Between 1-5 years	3,672	<i>3,783</i>	3,672	<i>3,047</i>
	5,475	<i>5,621</i>	5,475	<i>4,678</i>

The Group and Company liabilities held under hire purchase and finance lease agreements are secured against the assets to which they relate.

21. Deferred taxation

Group

	2025	<i>2024</i>
	£000	<i>£000</i>
At beginning of year	3,161	<i>2,465</i>
Charged to profit or loss	375	<i>696</i>
At end of year	3,536	<i>3,161</i>

HARWIN PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

21. Deferred taxation (continued)

Company

	2025	<i>2024</i>
	£000	<i>£000</i>
At beginning of year	3,156	<i>2,460</i>
Charged to profit or loss	375	<i>696</i>
At end of year	<u>3,531</u>	<i><u>3,156</u></i>

The provision for deferred taxation is made up as follows:

	Group	<i>Group</i>	Company	<i>Company</i>
	2025	<i>2024</i>	2025	<i>2024</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Accelerated capital allowances	3,551	<i>2,480</i>	3,546	<i>2,475</i>
Short-term timing differences	(15)	<i>681</i>	(15)	<i>681</i>
	<u>3,536</u>	<i><u>3,161</u></i>	<u>3,531</u>	<i><u>3,156</u></i>

Fixed asset timing differences are expected to reverse in line with each corresponding fixed asset class and the classes depreciation rates, as noted in the accounting policies.

HARWIN PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

22. Share capital

	2025	2024
	£000	£000
Allotted, called up and fully paid		
1,062,675 Ordinary shares of £0.20 each	213	213

The Ordinary shares carry one vote per share held.

23. Reserves

Share premium account

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Profit and loss account

This reserve relates to the cumulative retained earning less amounts distributed to shareholders.

24. Capital commitments

At 31 March 2025 the Group and Company had capital commitments as follows:

	Group	Group
	2025	2024
	£000	£000
Contracted for but not provided in these financial statements	27,203	950

25. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £667k (2024 - £644k). Contributions totalling £59k (2024 - £68k) were payable to the fund at the balance sheet date and are included in creditors.

HARWIN PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

26. Commitments under operating leases

At 31 March 2025 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group	<i>Group</i>	Company	<i>Company</i>
		<i>As restated</i>		<i>As restated</i>
	2025	<i>2024</i>	2025	<i>2024</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Not later than 1 year	919	<i>923</i>	919	<i>923</i>
Later than 1 year and not later than 5 years	4,427	<i>4,462</i>	4,427	<i>4,462</i>
Later than 5 years	13,874	<i>14,753</i>	13,874	<i>14,753</i>
	19,220	<i>20,138</i>	19,220	<i>20,138</i>

27. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

During the year rental payments were made to commonly controlled entities totalling £879k (2024 - £1,076k). Further costs of £16k (2024 - £16k) were incurred with entities under the common control of two of the directors.

During the year, Harwin donated £80k (2024 - £105k) to a charity with two trustees who are directors of the Company.

A director of the Company is also a Director of GB Row Challenge Limited (GB Row). GB Row rents space from the Company for which it pays rent of £1,500 a year.

During the year, a management charge of £80k (2024 - £80k) was paid to the parent entity. No balance was owed at the year end (2024 - £Nil).

Key management personnel remuneration in the year totalled £1,422k (2024 - £1,083k).

HARWIN PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

28. Controlling party

The immediate and ultimate parent undertaking is Harwin Engineers S.A., registered in Vaduz, Liechtenstein.

The largest group of undertakings for which group accounts for the year ending 31 March 2025 have been drawn up, is that headed by Harwin Engineers S.A.. Copies of the group accounts are available from Kirchstrasse 1, Vaduz, 9490, Liechtenstein.

The directors do not consider there to be an ultimate controlling party.