

Company registration number 01089958 (England and Wales)

Tritech Precision Products (Barnstaple) Limited

financial statements

For the year ended 31 March 2022

Tritech Precision Products (Barnstaple) Limited

Contents

	Page
Statement of financial position	1
Statement of changes in equity	2
Notes to the financial statements	3 - 12

Tritech Precision Products (Barnstaple) Limited

Statement of financial position

As at 31 March 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Intangible assets	4		2,935		9,979
Tangible assets	5		494,755		616,570
			<u>497,690</u>		<u>626,549</u>
Current assets					
Stocks		1,850,619		1,816,229	
Debtors	6	1,417,878		1,385,465	
Cash at bank and in hand		3,005		147,957	
			<u>3,271,502</u>		<u>3,349,651</u>
Creditors: amounts falling due within one year	7	<u>(1,261,158)</u>		<u>(1,275,142)</u>	
Net current assets			<u>2,010,344</u>		<u>2,074,509</u>
Total assets less current liabilities			<u>2,508,034</u>		<u>2,701,058</u>
Creditors: amounts falling due after more than one year	8		(19,159)		(238,355)
Provisions for liabilities			<u>(64,842)</u>		<u>(31,452)</u>
Net assets			<u><u>2,424,033</u></u>		<u><u>2,431,251</u></u>
Capital and reserves					
Called up share capital			50,000		50,000
Unrealised retained earnings			39,221		51,898
Distributable profit and loss reserves	10		2,334,812		2,329,353
Total equity			<u><u>2,424,033</u></u>		<u><u>2,431,251</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 19 July 2022 and are signed on its behalf by:

Mr I J Walker
Director

Mr M Langford
Director

Company Registration No. 01089958

Tritech Precision Products (Barnstaple) Limited

Statement of changes in equity

For the year ended 31 March 2022

	Share capital	Unrelised Profit and loss retained earnings	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 April 2020	50,000	111,518	2,531,989	2,693,507
Year ended 31 March 2021:				
Loss and total comprehensive income for the year	-	-	(262,256)	(262,256)
Transfers	-	(59,620)	59,620	-
Balance at 31 March 2021	50,000	51,898	2,329,353	2,431,251
Year ended 31 March 2022:				
Loss and total comprehensive income for the year	-	-	(7,218)	(7,218)
Transfers	-	(12,677)	12,677	-
Balance at 31 March 2022	50,000	39,221	2,334,812	2,424,033

Tritech Precision Products (Barnstaple) Limited

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies

Company information

Tritech Precision Products (Barnstaple) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Bridge Road North, Wrexham Industrial Estate, Wrexham, Clwyd, Wales, LL13 9PS. The principal place of business is Castle Park Road, Whidden Valley Industrial Estate, Devon, Barnstaple, EX32 8PA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors have continued to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, after discounts and rebates excluding 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 Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets - goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2012, is being amortised evenly over its estimated useful life of ten years.

1.6 Tangible fixed assets

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

Tritech Precision Products (Barnstaple) Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

1 Accounting policies (Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10 and 25 years straight line
Plant and machinery	3 - 20 years straight line
Computer equipment	3 years straight line
Motor vehicles	4 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks include items purchased and exclude items sold, subject to reservation of title.

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete, slow moving or defective items. The cost of stock includes all expenditure in bringing stocks to their present location and condition, as follows:

- Raw materials - Cost on a first in, first out basis
- Work in progress - using the retail method, which is estimated selling price reduced by a profit margin percentage, multiplied by an estimated percentage stage completion.
- Finished goods - manufactured finished goods are measured using the retail method, which is estimated selling price reduced by a profit margin percentage. Purchased finished goods are measured at cost on a first in, first out basis.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, amounts drawn down on an invoice finance facility and bank overdrafts. Amounts drawn down on an invoice finance facility and bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Tritech Precision Products (Barnstaple) Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Tritech Precision Products (Barnstaple) Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

1 Accounting policies

(Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.17 Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned entities within the group.

Tritech Precision Products (Barnstaple) Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

2 Judgements and key sources of estimation uncertainty

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Going concern

Forecasts have been prepared for the next two financial periods.

The directors have considered the potential impact of lower assumed activity levels and gross profit margins on the trading and cashflow forecasts.

Based on this assessment, the directors' judgement is that the company and group is able to continue in operational existence for the foreseeable future and the going concern basis of accounting has therefore been adopted in preparing the financial statements.

Tritech Precision Products (Barnstaple) Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

The estimated cost of individual stock items from their selling price

The group has adopted the retail method for valuing all work in progress and manufactured finished goods. This requires management to estimate the profit margin percentage used to reduce selling price to the estimated cost. This estimated profit margin percentage is based on the average results for the previous year, current year and a 'normalised' year and is calculated as gross profit less an estimated portion of production overheads attributed to direct costs, as a percentage of turnover.

The estimate of the provision necessary for slow moving stocks

Management have estimated the provision required for stocks that have been manufactured, but currently have no orders allocated against them. A provision is made against finished goods that have no orders against them and have not moved in the last 12 months.

Stage of completion of work in progress

Management estimate the stage of completion for products in work in progress, based on their expertise and knowledge of the production process. Different stages of production are documented and a percentage stage of completion applied depending on the part of the process that the product is currently in. Uncertainties in the stage of completion of work in progress relate to the actual amount of work completed on a product at the year end, compared to the estimated percentage stage of completion applied.

The economic useful life of tangible fixed assets

Management review the useful economic lives of depreciable assets at each reporting date as to allocate the cost of assets, less their residual value, over their estimated useful lives. Uncertainties in these estimates relate to the actual life of the tangible fixed assets.

Upon review of the estimated useful economic lives of plant and machinery, the directors have determined that certain key assets should be depreciated over either 15 or 20 years rather than the originally estimated 10 years.

The change in accounting estimate has resulted in an increase to both the tangible fixed assets and operating profit of £15,961 compared to the original estimate.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	61	86

Tritech Precision Products (Barnstaple) Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2021 and 31 March 2022	70,479
Amortisation and impairment	
At 1 April 2021	60,500
Amortisation charged for the year	7,044
At 31 March 2022	67,544
Carrying amount	
At 31 March 2022	2,935
At 31 March 2021	9,979

5 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2021	113,306	1,914,190	79,269	8,590	2,115,355
Additions	-	5,269	930	-	6,199
Disposals	-	(36,750)	-	-	(36,750)
At 31 March 2022	113,306	1,882,709	80,199	8,590	2,084,804
Depreciation and impairment					
At 1 April 2021	97,820	1,314,796	77,579	8,590	1,498,785
Depreciation charged in the year	2,076	125,180	758	-	128,014
Eliminated in respect of disposals	-	(36,750)	-	-	(36,750)
At 31 March 2022	99,896	1,403,226	78,337	8,590	1,590,049
Carrying amount					
At 31 March 2022	13,410	479,483	1,862	-	494,755
At 31 March 2021	15,486	599,394	1,690	-	616,570

The NBV of assets held under finance lease is £52,439 (2021 - £60,434).

Tritech Precision Products (Barnstaple) Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

6 Debtors	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	691,404	751,834
Corporation tax recoverable	-	100
Amounts owed by group undertakings	633,686	536,675
Other debtors	92,788	96,856
	<u>1,417,878</u>	<u>1,385,465</u>

7 Creditors: amounts falling due within one year	2022	2021
	£	£
Bank loans and overdrafts	489,449	625,382
Trade creditors	447,157	309,457
Taxation and social security	256,114	236,324
Other creditors	68,438	103,979
	<u>1,261,158</u>	<u>1,275,142</u>

Included within bank loans and overdrafts is an invoice finance facility of £489,449 (2021 - £625,382), which is secured by a legal mortgage and fixed and floating charges over all assets of the company and a group company cross-guarantee.

Included within other creditors are finance lease and hire purchase arrangements, which have been secured against the assets to which they relate. These amounted to £8,099 (2021: £23,231). See "Finance Lease Obligations" for further information.

8 Creditors: amounts falling due after more than one year	2022	2021
	£	£
Taxation and social security	14,616	203,026
Other creditors	4,543	35,329
	<u>19,159</u>	<u>238,355</u>

The creditor maturity presented for social security and other taxes reflects a payment arrangement agreed with HMRC to repay deferred liabilities over a 24 month period.

Included within other creditors are finance lease and hire purchase arrangements, which have been secured against the assets to which they relate. These amounted to £4,543 (2021: £10,016). See "Finance Lease Obligations" for further information.

Tritech Precision Products (Barnstaple) Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

9 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	8,099	23,231
In two to five years	4,543	10,016
	<u>12,642</u>	<u>33,247</u>

Amounts due under finance leases and hire purchase contracts are secured against the assets to which they relate.

10 Profit and loss reserves

Retained earnings

Retained earnings comprises accumulated profits less any losses and distributions which have been retained within the company. This is a distributable reserve.

Unrealised retained earnings

Unrealised retained earnings is the increase on revaluation of plant & machinery performed under the transition to FRS 102. The transfer to the unrealised retained earnings is the excess depreciation charge on the revalued assets.

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Nicola Johnson and the auditor was Mitten Clarke Audit Limited.

12 Financial commitments, guarantees and contingent liabilities

The company has charges over its assets, in the form of an all assets debenture, as security for the borrowings of fellow group undertakings. At 31 March 2022 these borrowings amounted to £13,588,868 (2021 - £12,489,850). As at the date of approval of these financial statements the directors do not anticipate that the charges will be called upon.

13 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2022	2021
	£	£
	1,334,400	1,554,317
	<u>1,334,400</u>	<u>1,554,317</u>

Tritech Precision Products (Barnstaple) Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

13 Operating lease commitments **(Continued)**

Total lease payments recognised as an expense during the period amounted to £199,333 (2021 - £183,810).

15 Parent company

The immediate parent company and parent company of the smallest group where group accounts are drawn up is Neterson Holdings Limited which is incorporated in the UK. Copies of the group accounts of Neterson Holdings Limited are available from Bridge Road North, Wrexham Industrial Estate, Wrexham, Clwyd, LL13 9PS.

The ultimate parent company and parent company of the largest group for which group accounts are drawn up is Chemical and Ferro Alloys Private Limited, a company incorporated in India. Copies of the group accounts of Chemical and Ferro Alloys Private Limited are available from Liberty Building, Sir Vithaldas Thackersey Marg, Mumbai, MH 400020 IN.

The ultimate controlling party is F.D.Neterwala due to his controlling interest in the company's ultimate holding company, Chemical and Ferro Alloys Private Limited.

