

REGISTERED NUMBER: 01089958 (England and Wales)

**Report of the Directors and
Financial Statements
for the Year Ended 31 March 2020
for
Tritech Precision Products (Barnstaple)
Limited**

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**Tritech Precision Products (Barnstaple)
Limited (Registered number: 01089958)**

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for the Year Ended 31 March 2020**

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**Tritech Precision Products (Barnstaple)
Limited**

**Company Information
for the Year Ended 31 March 2020**

DIRECTORS:

I J Walker
S J Goodier
A R White
S Goodfellow
F D Neterwala
A F Neterwala
M Langford
S Manford

SECRETARY:

M Langford

REGISTERED OFFICE:

Bridge Road North
Wrexham Industrial Estate
Wrexham
Clwyd
LL13 9PS

REGISTERED NUMBER:

01089958 (England and Wales)

AUDITORS:

Mitten Clarke Audit Limited
Statutory Auditors
The Glades
Festival Way
Stoke on Trent
Staffordshire
ST1 5SQ

**Tritech Precision Products (Barnstaple)
Limited (Registered number: 01089958)**

**Report of the Directors
for the Year Ended 31 March 2020**

The directors present their report with the financial statements of the company for the year ended 31 March 2020.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the manufacture of aluminium castings.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2020.

EVENTS SINCE THE END OF THE YEAR

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

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

I J Walker
S J Goodier
A R White
S Goodfellow
F D Neterwala
A F Neterwala
M Langford

Other changes in directors holding office are as follows:

S S Docherty - resigned 31 August 2019
S Manford - appointed 1 January 2020

GOING CONCERN

The directors have prepared detailed trading and cashflow forecasts extending to 31 March 2022. The forecasts incorporate assumptions in respect of future market conditions and customer programme requirements being at lower levels, new business expectation, no significant planned investment in capital, timing of repayment of deferred PAYE/NIC and VAT liabilities and ongoing availability of bank funding. The directors sales forecast is based on the actual 2020 build rates of Airbus, a major customer, and does not include any predicted uplift of those rates.

Based on these forecasts and the assumptions made therein the directors have a reasonable expectation that the company has sufficient access to resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the notes to the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

**Tritech Precision Products (Barnstaple)
Limited (Registered number: 01089958)**

**Report of the Directors
for the Year Ended 31 March 2020**

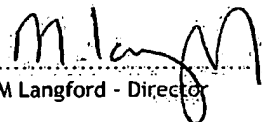
STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

ON BEHALF OF THE BOARD:


.....
M Langford - Director

Date: 26th January 2021

**Report of the Independent Auditors to the Members of
Tritech Precision Products (Barnstaple)
Limited**

Opinion

We have audited the financial statements of Tritech Precision Products (Barnstaple) Limited (the 'company') for the year ended 31 March 2020 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

We draw attention to Note 2 to the financial statements which describes the directors assessment of going concern and Note 3 to the financial statements which describes the critical judgements made by the directors in making that assessment.

Our opinion is not modified in respect of this matter.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other Information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

**Report of the Independent Auditors to the Members of
Tritech Precision Products (Barnstaple)
Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Mitten Clarke Audit Limited

Nicola Johnson (Senior Statutory Auditor)
for and on behalf of Mitten Clarke Audit Limited
Statutory Auditors
The Glades
Festival Way
Stoke on Trent
Staffordshire
ST1 5SQ

Date: 8/2/2021

**Tritech Precision Products (Barnstaple)
Limited (Registered number: 01089958)**

**Income Statement
for the Year Ended 31 March 2020**

	2020 £'000	2019 £'000
TURNOVER	6,373	5,359
Cost of sales	<u>(4,833)</u>	<u>(4,249)</u>
GROSS PROFIT	1,540	1,110
Administrative expenses	<u>(1,153)</u>	<u>(1,093)</u>
OPERATING PROFIT	387	17
Interest payable and similar expenses	<u>(76)</u>	<u>(74)</u>
PROFIT/(LOSS) BEFORE TAXATION	311	(57)
Tax on profit/(loss)	<u>(3)</u>	<u>60</u>
PROFIT FOR THE FINANCIAL YEAR	<u><u>308</u></u>	<u><u>3</u></u>

The notes form part of these financial statements

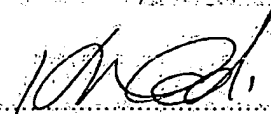
**Tritech Precision Products (Barnstaple)
Limited (Registered number: 01089958)**

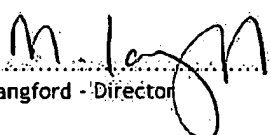
**Statement of Financial Position
31 March 2020**

	Notes	2020 £'000	2019 £'000
FIXED ASSETS			
Intangible assets	5	17	24
Tangible assets	6	805	951
		<u>822</u>	<u>975</u>
CURRENT ASSETS			
Stocks	7	2,137	1,813
Debtors	8	1,734	1,341
Cash at bank		13	1
		<u>3,884</u>	<u>3,155</u>
CREDITORS			
Amounts falling due within one year	9	(1,890)	(1,576)
NET CURRENT ASSETS		<u>1,994</u>	<u>1,579</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,816</u>	<u>2,554</u>
CREDITORS			
Amounts falling due after more than one year	10	(31)	(63)
PROVISIONS FOR LIABILITIES		<u>(91)</u>	<u>(106)</u>
NET ASSETS		<u><u>2,694</u></u>	<u><u>2,385</u></u>
CAPITAL AND RESERVES			
Called up share capital		50	50
Retained earnings - unrealised	13	112	169
Retained earnings	13	2,532	2,166
SHAREHOLDERS' FUNDS		<u><u>2,694</u></u>	<u><u>2,385</u></u>

The financial statements have been prepared 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 26th January 2021 and were signed on its behalf by:


I J Walker - Director


M Langford - Director

The notes form part of these financial statements

**Tritech Precision Products (Barnstaple)
Limited (Registered number: 01089958)**

**Statement of Changes in Equity
for the Year Ended 31 March 2020**

	Called up share capital £'000	Retained earnings £'000	Retained earnings - unrealised £'000	Total equity £'000
Balance at 1 April 2018	50	2,101	231	2,382
Changes in equity				
Transfer of realised reserves	-	62	(62)	-
Total comprehensive income	-	3	-	3
Balance at 31 March 2019	50	2,166	169	2,385
Changes in equity				
Transfer of realised reserves	-	58	(57)	1
Total comprehensive income	-	308	-	308
Balance at 31 March 2020	50	2,532	112	2,694

The notes form part of these financial statements

**Tritech Precision Products (Barnstaple)
Limited (Registered number: 01089958)**

**Notes to the Financial Statements
for the Year Ended 31 March 2020**

1. STATUTORY INFORMATION

Tritech Precision Products (Barnstaple) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in pound sterling and rounded to thousands unless otherwise stated.

Going Concern

The directors have carefully considered the impact of Covid-19, and the steps taken to mitigate increased risks and uncertainties, on the company's current financial position, liquidity and future performance. Further information relating to events after the balance sheet date can be found in the post balance sheet events note to the financial statements.

As a consequence of the global pandemic's impact on the company's market, sales forecasts have been adjusted downwards and the directors have prepared detailed trading and cashflow forecasts extending to 31 March 2022 that reflect a lower level of anticipated activity and any known changes to estimated timing of future cashflows.

The forecasts are prepared on the assumptions that no significant capital expenditure will be necessary to support the expected level of activity, that a time to pay arrangement can be agreed with HMRC to repay deferred tax liabilities and that the bank will continue to support the company without any reduction to the overall current facilities available to the company. Further information regarding the significant assumptions and judgements made in assessing the going concern status can be found in the notes to the financial statements.

Based on the judgements made about anticipated bank support, the forecasts, and assumptions therein, the directors have a reasonable expectation that the company has sufficient access to bank facilities and cash resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Related party exemption

The company has taken advantage of the 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 companies within the group.

Transactions with group entities not wholly owned within the group have been disclosed in the notes to the financial statements.

**Tritech Precision Products (Barnstaple)
Limited (Registered number: 01089958)**

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

2. ACCOUNTING POLICIES - continued

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.

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.

Intangible assets

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

Tangible fixed assets

Depreciation is provided in equal annual instalments in order to write off the cost, less estimated residual value, of each tangible fixed asset over its useful life.

Improvements to leasehold premises	-	10 and 25 years
Plant and machinery	-	3 - 10 years
Computer equipment	-	3 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

**Tritech Precision Products (Barnstaple)
Limited (Registered number: 01089958)**

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

2. ACCOUNTING POLICIES - continued

Stocks

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

Stocks are stated at the lower of cost or net realisable value as follows:

Raw materials	-	Cost on a first in, first out basis
Work in progress	-	Measured using percentage completion of estimated selling price reduced by gross margin percentage.
Finished goods	-	Measured using the retail method which is selling price reduced by gross margin percentage.

Cost includes expenditure incurred in bringing stocks to their present location and condition.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet these conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Debt instruments which meet the conditions for basic financial instruments are subsequently measured at amortised cost using the effective interest method.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

**Tritech Precision Products (Barnstaple)
Limited (Registered number: 01089958)**

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

2. ACCOUNTING POLICIES - continued

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can be reasonably regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to the income statement.

Hire purchase and leasing commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Company, and hire purchase contracts are capitalised in the balance sheet and depreciated over their useful lives. The capital elements of future obligations under leases and hire purchase contracts are included as liabilities in the statement of financial position.

The interest elements of the rental obligations are charged in the income statement over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals under operating leases are charged in the profit and loss account on a straight line basis over the life of the lease.

Pension costs

The company operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged in the income statement in the period to which they relate. These contributions are invested separately from the company's assets.

**Tritech Precision Products (Barnstaple)
Limited (Registered number: 01089958)**

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

3. CRITICAL ACCOUNTING 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 amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

In the director's opinion the critical judgements, apart from those involving the estimations dealt with separately below, that they have made in applying the company's accounting policies are as follows:

- Going concern

Since the balance sheet date the company has moved its banking relationship to a different provider. The new funding arrangement includes quarterly financial covenants, some of which have been in breach since the September 2020 test date. In addition, since March 2020, the company has deferred payment to HMRC of £285 thousand of PAYE/NIC and VAT liabilities and, under the Finance Act 2020, as of 1 December 2020 these creditors became preferential to the bank's floating charges, depleting the bank's security. The bank is fully aware of these matters and continues to support the company. Whilst the bank reserves its right to act upon the breach of covenants there is no current intention to remove any existing facility. The bank instead expects a new funding structure to be agreed, following a review of performance, that is likely to include the provision of a Coronavirus Business Interruption Loan (CBIL). In assessing the going concern status of the company the directors have prepared cash flow forecasts to 31 March 2022 that do not reflect any changes to the existing funding structure as, in their judgement, whilst the structure of future bank funding arrangements may be different, the overall current level of available facility will remain.

Furthermore, whilst the directors believe that receipt of a new CBIL would allow the company to repay its deferred PAYE and NIC liabilities to HMRC sooner, the cash flow forecast to 31 March 2022 assumes that a time to pay arrangement will be agreed over a 24 month period commencing January 2021. This arrangement has not yet been agreed, but the directors maintained discussion with HMRC throughout 2020 and are confident that a time to pay plan will be made available over a period of 24 months or longer.

The directors cannot guarantee with certainty the timing of future sales activity and have therefore prepared the cash flow forecast to 31 March 2022 using their conservative estimate of revenue which does not reflect any future improvement to the current market. In addition, whilst the cashflow forecast reflects cost savings arising from staff restructuring during 2020, it does not reflect any further cost savings that the directors anticipate could be achieved through other planned cost saving activities or any further head count reductions.

Having reviewed the forecasts and considered the anticipated level of support from the bank the directors have satisfied themselves that the company is able to continue in operational existence for the foreseeable future and have therefore adopted the going concern basis in preparing the financial statements for the year ended 31 March 2020.

Key sources of estimation uncertainty

The directors consider that the key estimates and assumptions used in preparing the financial statements are as follows:

- The estimation of the cost of individual stock items from their selling price

The company has adopted the retail method for valuing work in progress and finished goods. This requires the directors to estimate the gross margin percentage that is used to reduce the selling price to the estimated cost. The estimated gross margin is based on a rolling 5 year gross margin less an estimated portion of production overheads attributed to direct costs.

**Tritech Precision Products (Barnstaple)
Limited (Registered number: 01089958)**

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

- The estimate of the provision necessary for slow moving stocks

The directors have estimated the provision required for stocks that have been manufactured but currently have no orders allocated against them. This is based on finished goods that have no orders against them and have not moved in the last 12 months.

- Stage of completion of work in progress:

The directors also estimate the stage of completion for products in work in progress, based on their knowledge and expertise in the production process. Different stages of production are documented and a % 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 % 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 so 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.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 95 (2019 - 79).

5. INTANGIBLE FIXED ASSETS

	Goodwill £'000
COST	
At 1 April 2019	
and 31 March 2020	70
AMORTISATION	
At 1 April 2019	46
Amortisation for year	7
	53
NET BOOK VALUE	
At 31 March 2020	17
At 31 March 2019	24

**Tritech Precision Products (Barnstaple)
Limited (Registered number: 01089958)**

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

6. TANGIBLE FIXED ASSETS

	Improvements to property £'000	Plant and machinery £'000	Motor vehicles £'000	Computer & office equipment £'000	Totals £'000
COST					
At 1 April 2019	105	1,843	17	78	2,043
Additions	7	52	-	1	60
Disposals	-	-	(9)	-	(9)
	<u>112</u>	<u>1,895</u>	<u>8</u>	<u>79</u>	<u>2,094</u>
DEPRECIATION					
At 1 April 2019	94	905	17	76	1,092
Charge for year	2	203	-	1	206
Eliminated on disposal	-	-	(9)	-	(9)
	<u>96</u>	<u>1,108</u>	<u>8</u>	<u>77</u>	<u>1,289</u>
NET BOOK VALUE					
At 31 March 2020	<u>16</u>	<u>787</u>	<u>-</u>	<u>2</u>	<u>805</u>
At 31 March 2019	<u>11</u>	<u>938</u>	<u>-</u>	<u>2</u>	<u>951</u>

The NBV of assets held under finance lease is £134,000 (2019 £298,000).

7. STOCKS

	2020 £'000	2019 £'000
Raw materials and consumables	199	212
Work-in-progress	1,609	1,365
Finished goods	329	236
	<u>2,137</u>	<u>1,813</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Trade debtors	945	920
Amounts owed by group undertakings	709	338
Other debtors	6	5
Prepayments	74	78
	<u>1,734</u>	<u>1,341</u>

**Tritech Precision Products (Barnstaple)
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**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£'000	£'000
Invoice discounting	960	646
Finance leases (see note 11)	37	54
Trade creditors	646	656
Amounts owed to group undertakings	-	50
Social security and other taxes	94	46
VAT	82	64
Other creditors	6	-
Accrued expenses	65	60
	<u>1,890</u>	<u>1,576</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£'000	£'000
Finance leases (see note 11)	<u>31</u>	<u>63</u>

11. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases	
	2020	2019
	£'000	£'000
Gross obligations repayable:		
Within one year	41	59
Between one and five years	32	74
	<u>73</u>	<u>133</u>
Finance charges repayable:		
Within one year	4	5
Between one and five years	1	11
	<u>5</u>	<u>16</u>
Net obligations repayable:		
Within one year	37	54
Between one and five years	31	63
	<u>68</u>	<u>117</u>

	Non-cancellable operating leases	
	2020	2019
	£'000	£'000
Within one year	186	139
Between one and five years	687	640
In more than five years	930	930
	<u>1,803</u>	<u>1,709</u>

**Tritech Precision Products (Barnstaple)
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**Notes to the Financial Statements - continued
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11. LEASING AGREEMENTS - continued

Total lease payments recognised as an expense during the period amounted to £173,000 (2019 - £114,000).

12. SECURED DEBTS

The following secured debts are included within creditors:

	2020 £'000	2019 £'000
Finance leases	68	117
Invoice discounting	960	646
	<u>1,028</u>	<u>763</u>

The invoice discounting balance is secured by fixed and floating charges on the company's assets and those of its parent company and ultimate parent company.

The finance leases are secured against the asset to which they relate.

13. RESERVES

	Retained earnings £'000	Retained earnings - unrealised £'000	Totals £'000
At 1 April 2019	2,166	169	2,335
Profit for the year	308		308
Transfer of realised reserves	58	(57)	1
	<u>2,532</u>	<u>112</u>	<u>2,644</u>
At 31 March 2020	<u>2,532</u>	<u>112</u>	<u>2,644</u>

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

14. 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 2020 these borrowings amounted to £11,779,000 (2019 - £10,677,000). As at the date of approval of these financial statements the directors do not anticipate that the charges will be called upon.

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**Notes to the Financial Statements - continued
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15. RELATED PARTY DISCLOSURES

At the year end the company owed £Nil (2019 - £50,000) to a fellow group company not 100% owned within the group.

The immediate parent company and ultimate UK parent company are Tritech Group Limited and Neterson Holdings Limited respectively, both of which are incorporated in England.

Copies of the group accounts of Tritech Group Limited and 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.

16. POST BALANCE SHEET EVENTS

Whilst the Covid-19 pandemic commenced towards the end of March 2020, prior to the balance sheet date, the company did not suffer any significant financial impact until after that time, when the effects of the pandemic and restrictions imposed by governments around the world severely affected the markets in which the company operates. As a consequence of reduced activity levels sales forecasts for year ended 31 March 2021 have been reduced downwards to £3.4 million. The duration of the impact of the pandemic remains unclear at this time. The group continues to monitor the company and group's current financial position, liquidity and anticipated future performance. To date the group's response to the effects of the pandemic has included many and varied cost reduction and cash saving exercises being undertaken and planned across the whole Tritech group to reduce the cost base and minimise expected losses on reduced turnover levels. In addition, steps were taken to minimise the detrimental impact on working capital.

The following significant non-adjusting events have been identified in the period since 31 March 2020:

- In July 2020 the whole group successfully moved its banking relationship to a different provider, agreeing a facility with both smaller annual fees and lower interest rates. The arrangement included fixed and floating charges being given to the bank and a requirement to comply with quarterly financial covenants. Since the September 2020 test date some of the covenants have been in breach. Whilst the bank reserves its rights to act upon the covenant breach there is no evidence of any intention to remove the existing facility;
- The company has deferred PAYE/NIC and VAT payments to HMRC, which as at 31 December 2020 totalled £285 thousand. As of 1 December 2020 these creditors became preferential to the bank's floating charges;
- The company is utilising the UK Government's Coronavirus Job Retention Scheme, which generated grant income of £213 thousand in the period up to 31 December 2020;
- In the second half of 2020 an employee restructure was undertaken, as a consequence of which, the average number of employees was reduced by 36%.

In assessing the going concern status of the company and group the directors have prepared detailed trading and cashflow forecasts extending to 31 March 2022 and considered the anticipated level of bank support. Further information regarding the significant assumptions and judgements made in assessing the going concern status can be found in the notes to the financial statements.

17. ULTIMATE CONTROLLING PARTY

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

**Tritech Precision Products (Barnstaple)
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**Notes to the Financial Statements - continued
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18. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. There were no contributions payable to the fund at the current or previous period end.