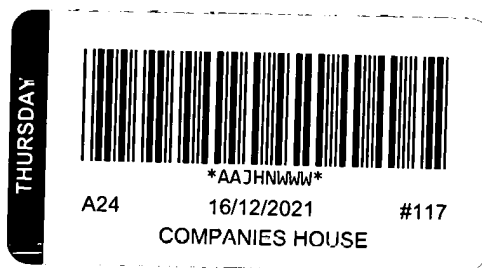


REGISTERED NUMBER: 01089958 (England and Wales)

**Report of the Directors and
Financial Statements
for the Year Ended 31 March 2021
for
Tritech Precision Products (Barnstaple)
Limited**



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

**Contents of the Financial Statements
for the Year Ended 31 March 2021**

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**Tritech Precision Products (Barnstaple)
Limited**

**Company Information
for the Year Ended 31 March 2021**

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 2021**

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

PRINCIPAL ACTIVITY

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

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2021 is £Nil (2020 - £Nil).

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 2020 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
S Manford

GOING CONCERN

The directors have carefully considered the continued 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.

The directors have prepared detailed trading and cashflow forecasts extending to 31 March 2024. The forecasts incorporate assumptions in respect of future market conditions and anticipated requirements for customer programmes.

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 of accounting 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.

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.

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

**Report of the Directors
for the Year Ended 31 March 2021**

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: 28th Nov 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 2021 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 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 page two, 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.

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:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including legislation such as the Companies Act 2006, taxation legislation, data protection, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations through making enquiries of management and reviewing legal and professional fee invoices.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries posted during the period and at the period end to identify unusual transactions; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence and agreements with HMRC;
- reviewing legal and professional fees incurred during the period to identify any potential indications of non-compliance with laws and regulations.

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

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

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

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.

N Johnson

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: 29/11/2021

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

**Income Statement
for the Year Ended 31 March 2021**

	Notes	2021 £	2020 £
TURNOVER		4,166,713	6,373,102
Cost of sales		<u>3,714,675</u>	<u>4,833,298</u>
GROSS PROFIT		452,038	1,539,804
Administrative expenses		<u>966,854</u>	<u>1,152,567</u>
		(514,816)	387,237
Other operating income	4	<u>265,984</u>	<u>-</u>
OPERATING (LOSS)/PROFIT		(248,832)	387,237
Interest payable and similar expenses		<u>72,972</u>	<u>75,094</u>
(LOSS)/PROFIT BEFORE TAXATION		(321,804)	312,143
Tax on (loss)/profit		<u>(59,548)</u>	<u>3,657</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(262,256)</u>	<u>308,486</u>

The notes form part of these financial statements

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

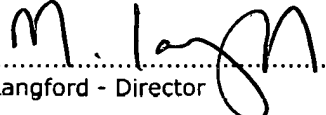
**Statement of Financial Position
31 March 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	6	9,979	17,023
Tangible assets	7	616,570	805,624
		<u>626,549</u>	<u>822,647</u>
CURRENT ASSETS			
Stocks	8	1,816,229	2,136,643
Debtors	9	1,385,465	1,734,576
Cash at bank		147,957	13,466
		<u>3,349,651</u>	<u>3,884,685</u>
CREDITORS			
Amounts falling due within one year	10	<u>1,275,142</u>	<u>1,892,534</u>
NET CURRENT ASSETS		<u>2,074,509</u>	<u>1,992,151</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,701,058</u>	<u>2,814,798</u>
CREDITORS			
Amounts falling due after more than one year	11	(238,355)	(30,291)
PROVISIONS FOR LIABILITIES		<u>(31,452)</u>	<u>(91,000)</u>
NET ASSETS		<u><u>2,431,251</u></u>	<u><u>2,693,507</u></u>
CAPITAL AND RESERVES			
Called up share capital		50,000	50,000
Retained earnings - unrealised	14	51,898	111,518
Retained earnings	14	2,329,353	2,531,989
SHAREHOLDERS' FUNDS		<u><u>2,431,251</u></u>	<u><u>2,693,507</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 25th Nov 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 2021**

	Called up share capital £	Retained earnings £	Retained earnings - unrealised £	Total equity £
Balance at 1 April 2019	50,000	2,165,702	169,319	2,385,021
Changes in equity				
Transfer of realised reserves	-	57,801	(57,801)	-
Total comprehensive income	-	308,486	-	308,486
Balance at 31 March 2020	<u>50,000</u>	<u>2,531,989</u>	<u>111,518</u>	<u>2,693,507</u>
Changes in equity				
Transfer of realised reserves	-	59,620	(59,620)	-
Total comprehensive income	-	(262,256)	-	(262,256)
Balance at 31 March 2021	<u>50,000</u>	<u>2,329,353</u>	<u>51,898</u>	<u>2,431,251</u>

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 2021**

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 principal place of business can be found at Castle Park Rd, Whidden Valley Industrial Estate, Devon, Barnstaple EX32 8PA.

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 Pounds Sterling (£), being the functional currency.

Going Concern

The directors have carefully considered the continued 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.

The directors have prepared detailed trading and cashflow forecasts extending to 31 March 2024. Further information relating to the judgements made in preparing these forecasts can be found in the 'critical accounting judgements and key sources of estimation uncertainty' note to the financial statements.

Based on the assumptions made, the directors have a reasonable expectation that the company has sufficient resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting 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 2021**

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.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

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 a profit margin percentage.
Finished goods	-	Measured using the retail method which is selling price reduced by a profit 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 2021**

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 2021**

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

The directors cannot guarantee with certainty the timing of future sales activity. Forecasts prepared, for the next 3 financial periods to 31 March 2024, therefore incorporate certain assumptions in respect of future market conditions and anticipated requirements for customer programmes and expected build rates.

The directors have considered the sensitivity of these trading and cashflow forecasts, by assessing the impact of alternative assumptions for expected activity levels and gross profit margins. The directors have also considered the impact of combined changes to these assumptions and the likelihood of such events occurring.

Based on this assessment, the directors' judgement is that the company 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 for the year ended 31 March 2021.

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 manufactured finished goods. This requires the directors 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 (2020: the average results for a rolling 5 year period) 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

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.

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

- 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. OTHER OPERATING INCOME

	2021 £	2020 £
Government grants	<u>265,984</u>	<u>-</u>

The company received government grant income of £265,984 (2020 - £Nil) under the Coronavirus Job Retention Scheme. The company also received support with the agreement of HM Revenue & Customs, to defer an element of employee taxes. There are no unfulfilled conditions or other contingencies attached to the grant income.

5. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 86 (2020 - 95).

6. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 2020 and 31 March 2021	<u>70,479</u>
AMORTISATION	
At 1 April 2020	53,456
Amortisation for year	<u>7,044</u>
At 31 March 2021	<u>60,500</u>
NET BOOK VALUE	
At 31 March 2021	<u>9,979</u>
At 31 March 2020	<u>17,023</u>

7. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Motor vehicles £	Computer & office equipment £	Totals £
COST					
At 1 April 2020	112,006	1,895,198	8,590	79,269	2,095,063
Additions	<u>1,300</u>	<u>18,992</u>	<u>-</u>	<u>-</u>	<u>20,292</u>
At 31 March 2021	<u>113,306</u>	<u>1,914,190</u>	<u>8,590</u>	<u>79,269</u>	<u>2,115,355</u>
DEPRECIATION					
At 1 April 2020	95,748	1,108,177	8,590	76,924	1,289,439
Charge for year	<u>2,072</u>	<u>206,619</u>	<u>-</u>	<u>655</u>	<u>209,346</u>
At 31 March 2021	<u>97,820</u>	<u>1,314,796</u>	<u>8,590</u>	<u>77,579</u>	<u>1,498,785</u>
NET BOOK VALUE					
At 31 March 2021	<u>15,486</u>	<u>599,394</u>	<u>-</u>	<u>1,690</u>	<u>616,570</u>
At 31 March 2020	<u>16,258</u>	<u>787,021</u>	<u>-</u>	<u>2,345</u>	<u>805,624</u>

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

7. TANGIBLE FIXED ASSETS - continued

The NBV of assets held under finance lease is £60,434 (2020 - £133,880).

8. STOCKS

	2021	2020
	£	£
Raw materials and consumables	279,715	198,852
Work-in-progress	1,186,800	1,609,186
Finished goods	349,714	328,605
	<u>1,816,229</u>	<u>2,136,643</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	751,834	944,713
Amounts owed by group undertakings	536,675	709,120
Other debtors	11,640	6,318
Tax	100	100
Prepayments	85,216	74,325
	<u>1,385,465</u>	<u>1,734,576</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Invoice discounting	625,382	959,959
Finance leases (see note 12)	23,231	36,811
Trade creditors	309,457	649,643
Social security and other taxes	161,567	93,845
VAT	74,757	81,889
Other creditors	12,799	5,683
Accrued expenses	67,949	64,704
	<u>1,275,142</u>	<u>1,892,534</u>

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

	2021	2020
	£	£
Finance leases (see note 12)	10,016	30,291
Social security and other taxes	203,026	-
Accruals and deferred income	25,313	-
	<u>238,355</u>	<u>30,291</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.

**Tritech Precision Products (Barnstaple)
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**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

12. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	23,231	36,811
Between one and five years	10,016	30,291
	<u>33,247</u>	<u>67,102</u>
	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	218,323	186,173
Between one and five years	645,994	684,317
In more than five years	690,000	810,000
	<u>1,554,317</u>	<u>1,680,490</u>

Total lease payments recognised as an expense during the period amounted to £183,810 (2020 - £172,921).

13. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Finance leases	33,247	67,102
Invoice discounting	625,382	959,959
	<u>658,629</u>	<u>1,027,061</u>

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

The invoice discounting balance is secured by a legal mortgage and fixed and floating charges over all assets of the company and a group cross-company guarantee.

14. RESERVES

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

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.

15. 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 2021 these borrowings amounted to £12,098,840 (2020 - £11,778,620). As at the date of approval of these financial statements the directors do not anticipate that the charges will be called upon.

**Tritech Precision Products (Barnstaple)
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**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

16. RELATED PARTY DISCLOSURES

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.

17. POST BALANCE SHEET EVENTS

Whilst the impact of the Covid-19 pandemic was felt throughout the period, there continues to be a lasting financial impact, due to the restrictions imposed by governments around the world severely affecting the markets in which the company operates. As a result, it is anticipated that future financial results will continue to be impacted by the Covid-19 with a slow and gradual improvement over time.

The company continues to monitor its current financial position, liquidity and anticipated future performance and responds accordingly. The following non-adjusting event has been identified in the period since 31 March 2021:

- In July 2020 the whole UK group successfully moved its banking relationship to a different provider. During the period, the company and group also deferred substantial PAYE/NIC and VAT liabilities. Unfortunately, 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. Whilst the bank covenants remained in breach beyond the balance sheet date, this situation was remedied in August 2021, when the UK group received a £4m Coronavirus Business Interruption Loan (CBIL), supported by the UK Government's Enterprise Finance Guarantee programme. This loan is repayable over a 54 month period, commencing 7 months after the date of drawdown.

18. 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.