

1ST MACHINE TOOL ACCESSORIES LIMITED
UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Fletcher & Partners
Chartered Accountants

1ST MACHINE TOOL ACCESSORIES LIMITED
REGISTERED NUMBER:03472302

BALANCE SHEET
AS AT 31 DECEMBER 2020

| | Note | 2020 £ | 2019 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 4 | 93,930 | 158,363 |
| Investments | 5 | - | 4 |
| | | <u>93,930</u> | <u>158,367</u> |
| Current assets | | | |
| Stocks | | 644,072 | 844,933 |
| Debtors: amounts falling due within one year | 6 | 4,898,889 | 4,424,730 |
| Cash at bank and in hand | 7 | 1,709 | 20,831 |
| | | <u>5,544,670</u> | <u>5,290,494</u> |
| Creditors: amounts falling due within one year | 8 | (3,682,360) | (3,661,997) |
| Net current assets | | <u>1,862,310</u> | <u>1,628,497</u> |
| Total assets less current liabilities | | <u>1,956,240</u> | <u>1,786,864</u> |
| Creditors: amounts falling due after more than one year | 9 | (177,952) | (42,779) |
| Provisions for liabilities | | | |
| Deferred tax | | (1,800) | (11,200) |
| | | <u>(1,800)</u> | <u>(11,200)</u> |
| Net assets | | <u><u>1,776,488</u></u> | <u><u>1,732,885</u></u> |
| Capital and reserves | | | |
| Called up share capital | | 2 | 2 |
| Profit and loss account | | 1,776,486 | 1,732,883 |
| | | <u><u>1,776,488</u></u> | <u><u>1,732,885</u></u> |

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

1ST MACHINE TOOL ACCESSORIES LIMITED
REGISTERED NUMBER:03472302

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2021.

Mark Jones
Director

The notes on pages 3 to 11 form part of these financial statements.

1ST MACHINE TOOL ACCESSORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

1st Machine Tool Accessories Limited is a private company limited by shares whose registered office is Unit 1 The Headlands, Downton, Salisbury SP5 3JJ. Its main activity is the wholesale of machine tools.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue 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 revenue 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.

2.3 Operating leases: the Company as lessee

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

2.4 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

1ST MACHINE TOOL ACCESSORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.6 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.7 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

| | | |
|-------------------------------|---|-----|
| Short-term leasehold property | - | 5% |
| Motor vehicles | - | 33% |
| Fixtures and fittings | - | 25% |

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

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

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.14 Financial instruments (continued)

for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Employees

The average monthly number of employees, including directors, during the year was 14 (2019 - 14).

1ST MACHINE TOOL ACCESSORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4. Tangible fixed assets

| | Short-term leasehold property £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|-------------------------------------|--|---------------------|-------------------------------|------------|
| Cost or valuation | | | | |
| At 1 January 2020 | 55,772 | 189,459 | 130,991 | 376,222 |
| Additions | - | - | 2,049 | 2,049 |
| At 31 December 2020 | 55,772 | 189,459 | 133,040 | 378,271 |
| Depreciation | | | | |
| At 1 January 2020 | 22,974 | 128,560 | 66,325 | 217,859 |
| Charge for the year on owned assets | 2,787 | 44,451 | 19,244 | 66,482 |
| At 31 December 2020 | 25,761 | 173,011 | 85,569 | 284,341 |
| Net book value | | | | |
| At 31 December 2020 | 30,011 | 16,448 | 47,471 | 93,930 |
| At 31 December 2019 | 32,798 | 60,899 | 64,666 | 158,363 |

The net book value of land and buildings may be further analysed as follows:

| | 2020 £ | 2019 £ |
|-----------------|---------------|---------------|
| Short leasehold | 30,011 | 32,798 |
| | <u>30,011</u> | <u>32,798</u> |

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

| | 2020 £ | 2019 £ |
|----------------|---------------|---------------|
| Motor vehicles | 25,821 | 69,361 |
| | <u>25,821</u> | <u>69,361</u> |

1ST MACHINE TOOL ACCESSORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. Fixed asset investments

| | Investments in subsidiary companies £ |
|---------------------|--|
| At 1 January 2020 | 4 |
| Disposals | (4) |
| | <hr/> |
| At 31 December 2020 | - |
| | <hr/> <hr/> |

6. Debtors

| | 2020 £ | 2019 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | 793,297 | 920,345 |
| Amounts owed by group undertakings | 1,119,949 | 1,095,613 |
| Other debtors | 2,971,102 | 2,354,000 |
| Prepayments and accrued income | 14,541 | 54,772 |
| | <hr/> | <hr/> |
| | 4,898,889 | 4,424,730 |
| | <hr/> <hr/> | <hr/> <hr/> |

7. Cash and cash equivalents

| | 2020 £ | 2019 £ |
|--------------------------|------------------|------------------|
| Cash at bank and in hand | 1,709 | 20,831 |
| Less: bank overdrafts | (593,960) | (718,986) |
| | <hr/> | <hr/> |
| | (592,251) | (698,155) |
| | <hr/> <hr/> | <hr/> <hr/> |

1ST MACHINE TOOL ACCESSORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

8. Creditors: Amounts falling due within one year

| | 2020 £ | 2019 £ |
|---|------------------|------------------|
| Bank overdrafts | 593,960 | 718,986 |
| Bank loans | 36,363 | - |
| Trade creditors | 1,048,576 | 1,366,786 |
| Corporation tax | - | 6,098 |
| Other taxation and social security | 196,208 | 102,599 |
| Obligations under finance lease and hire purchase contracts | 25,432 | 39,178 |
| Other creditors | 1,777,981 | 1,413,871 |
| Accruals and deferred income | 3,840 | 5,727 |
| Financial instruments | - | 8,752 |
| | <u>3,682,360</u> | <u>3,661,997</u> |

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

| | 2020 £ | 2019 £ |
|--|----------------|---------------|
| Bank loans | 160,606 | - |
| Net obligations under finance leases and hire purchase contracts | 17,346 | 42,779 |
| | <u>177,952</u> | <u>42,779</u> |

10. Loans

Analysis of the maturity of loans is given below:

| | 2020 £ | 2019 £ |
|--|----------------|-----------|
| Amounts falling due within one year | | |
| Bank loans | 36,363 | - |
| | <u>36,363</u> | <u>-</u> |
| Amounts falling due 1-2 years | | |
| Bank loans | 160,606 | - |
| | <u>160,606</u> | <u>-</u> |
| | <u>196,969</u> | <u>-</u> |

1ST MACHINE TOOL ACCESSORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

| | 2020 £ | 2019 £ |
|-------------------|---------------|---------------|
| Within one year | 26,090 | 40,539 |
| Between 1-5 years | 18,145 | 44,235 |
| | <u>44,235</u> | <u>84,774</u> |

12. Financial instruments

| | 2020 £ | 2019 £ |
|---|--------------|----------------|
| Financial assets | | |
| Financial assets measured at fair value through profit or loss | <u>1,709</u> | <u>20,831</u> |
| Financial liabilities | | |
| Other financial liabilities measured at fair value through profit or loss | <u>-</u> | <u>(8,752)</u> |

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Other financial liabilities measured at fair value through profit or loss comprise forward currency contract taken out to hedge the company's ordinary trading transactions.

13. Deferred taxation

| | 2020 £ |
|---------------------------|----------------|
| At beginning of year | (11,200) |
| Charged to profit or loss | - |
| Utilised in year | 9,400 |
| At end of year | <u>(1,800)</u> |

The provision for deferred taxation is made up as follows:

| | 2020 £ | 2019 £ |
|--------------------------------|----------------|-----------------|
| Accelerated capital allowances | (1,800) | (11,200) |
| | <u>(1,800)</u> | <u>(11,200)</u> |

1ST MACHINE TOOL ACCESSORIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. COVID 19

The COVID 19 pandemic has adversely affected the Company's markets, as a result and the Company's turnover reduced by about 30% and its profit by about 90%. Nevertheless the directors consider that Company's prospects remain good and its balance sheet strong and as a consequence they have continued to prepare the accounts on the going concern basis.

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