

PARAMOUNT INDUSTRIAL TOOLS & FASTENERS LTD

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

PARAMOUNT INDUSTRIAL TOOLS & FASTENERS LTD
REGISTERED NUMBER: 04402908

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	4	40,823	53,841
		<u>40,823</u>	<u>53,841</u>
Current assets			
Stocks	5	273,677	264,987
Debtors: amounts falling due within one year	6	1,268,842	1,132,338
Cash at bank and in hand	7	20,736	71,786
		<u>1,563,255</u>	<u>1,469,111</u>
Creditors: amounts falling due within one year	8	(493,284)	(532,302)
Net current assets		<u>1,069,971</u>	<u>936,809</u>
Total assets less current liabilities		<u>1,110,794</u>	<u>990,650</u>
Creditors: amounts falling due after more than one year	9	(9,759)	(25,996)
Provisions for liabilities			
Deferred tax	12	(8,943)	(12,000)
		<u>(8,943)</u>	<u>(12,000)</u>
Net assets		<u><u>1,092,092</u></u>	<u><u>952,654</u></u>
Capital and reserves			
Called up share capital		7,600	7,600
Capital redemption reserve		2,400	2,400
Profit and loss account		1,082,092	942,654
		<u><u>1,092,092</u></u>	<u><u>952,654</u></u>

PARAMOUNT INDUSTRIAL TOOLS & FASTENERS LTD
REGISTERED NUMBER: 04402908

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The director considers 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 director acknowledges his 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 statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

.....
W L Rosser
Director

Date: 15 December 2023

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. General information

Paramount Industrial Tools & Fasteners Ltd is a private company, limited by shares, registered in England and Wales. The Company's registered office is Ellgreave Street, Burslem, Stoke-On-Trent, Staffordshire, ST6 4DQ. The Company number is 04402908.

These financial statements present information about the Company as an individual undertaking, not as a member of a group of companies. The principal activity of the Company is that of wholesale & retail sales.

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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.3 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

2.5 Interest income

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

2.6 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.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.8 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.

2.9 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:

Plant and machinery	-	20%	straight line
Motor vehicles	-	20%	straight line

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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.

2.16 Dividends

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

PARAMOUNT INDUSTRIAL TOOLS & FASTENERS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3. Employees

The average monthly number of employees, including directors, during the year was 8 (2022 - 7).

4. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation			
At 1 April 2022	66,183	33,120	99,303
Additions	767	-	767
At 31 March 2023	66,950	33,120	100,070
Depreciation			
At 1 April 2022	31,719	13,743	45,462
Charge for the year on owned assets	1,937	-	1,937
Charge for the year on financed assets	5,389	6,459	11,848
At 31 March 2023	39,045	20,202	59,247
Net book value			
At 31 March 2023	27,905	12,918	40,823
At 31 March 2022	34,464	19,377	53,841

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

	2023 £	2022 £
Motor vehicles	12,918	19,377
Furniture, fittings and equipment	20,442	32,284
	33,360	51,661

PARAMOUNT INDUSTRIAL TOOLS & FASTENERS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. Stocks

	2023 £	2022 £
Finished products for resale	273,677	264,987
	<u>273,677</u>	<u>264,987</u>

6. Debtors

	2023 £	2022 £
Trade debtors	298,096	311,555
Amounts owed by group undertakings	970,746	820,783
	<u>1,268,842</u>	<u>1,132,338</u>

7. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	20,735	71,786
	<u>20,735</u>	<u>71,786</u>

PARAMOUNT INDUSTRIAL TOOLS & FASTENERS LTD

NOTES TO THE FINANCIAL STATEMENTS
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8. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	170,860	200,525
Corporation tax	61,470	83,344
Other taxation and social security	31,917	20,434
Obligations under finance lease and hire purchase contracts	15,709	20,176
Other creditors	209,978	204,623
Accruals	3,350	3,200
	<u>493,284</u>	<u>532,302</u>

The following liabilities were secured:

	2023 £	2022 £
Obligations under finance lease and hire purchase contracts	15,709	20,176
Invoice financing loan	199,049	189,911
	<u>214,758</u>	<u>210,087</u>

Details of security provided:

Obligations under finance lease and hire purchase contracts are secured against the assets to which they relate.

The invoice financing loan is secured by way of fixed and floating charges over certain assets.

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

	2023 £	2022 £
Net obligations under finance leases and hire purchase contracts	9,759	25,996
	<u>9,759</u>	<u>25,996</u>

Obligations under finance lease and hire purchase contracts are secured against the assets to which they relate.

PARAMOUNT INDUSTRIAL TOOLS & FASTENERS LTD

NOTES TO THE FINANCIAL STATEMENTS
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10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	15,709	20,176
Between 1-5 years	9,759	25,996
	<u>25,468</u>	<u>46,172</u>

11. Financial instruments

	2023 £	2022 £
Financial assets		
Financial assets measured at fair value through profit or loss	20,735	71,786
Financial assets that are debt instruments measured at amortised cost	1,268,842	1,132,338
	<u>1,289,577</u>	<u>1,204,124</u>

Financial liabilities

Financial liabilities measured at amortised cost	<u>409,656</u>	<u>454,520</u>
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Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise of trade and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors and accruals.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. Deferred taxation

	2023 £
At beginning of year	(12,000)
Charged to profit or loss	3,057
At end of year	<u>(8,943)</u>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(8,943)	(12,000)
	<u>(8,943)</u>	<u>(12,000)</u>

13. 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. The pension cost charge represents contributions payable by the Company to the fund and amounted to £4,786 (2022 - £2,271). Contributions totalling £557 (2022 - £414) were payable to the fund at the balance sheet date and are included in creditors.

14. Related party transactions

Included within debtors is a balance of £970,746 (2022 - £820,783) owed to the Company from Paramount Industrial Tools Holdings Limited, the parent company.

No interest has been charged and there are no repayment terms in place for the balance.

15. Controlling party

The ultimate parent undertaking is Paramount Industrial Tools Holdings Limited, their registered office is The plaza, 100 Old Hall Street, Liverpool, L3 9QJ.

The controlling party of Paramount Industrial Tools Holdings Limited is Mr W L Rosser.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.