

1ST MACHINE TOOL ACCESSORIES LIMITED
UNAUDITED
FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
For the year ended 31 DECEMBER 2022

Fletcher & Partners
Chartered Accountants
Salisbury

1ST MACHINE TOOL ACCESSORIES LIMITED
REGISTERED NUMBER:03472302

BALANCE SHEET
AS AT 31 DECEMBER 2022

| | Note | 2022 £ | 2021 £ |
|---|------|-------------|-------------|
| Fixed assets | | | |
| Tangible assets | 4 | 125,071 | 68,877 |
| | | 125,071 | 68,877 |
| Current assets | | | |
| Stocks | | 713,778 | 649,635 |
| Debtors: amounts falling due within one year | 5 | 6,216,011 | 5,111,137 |
| Cash at bank and in hand | 6 | 7,349 | 2,739 |
| | | 6,937,138 | 5,763,511 |
| Creditors: amounts falling due within one year | 7 | (3,968,188) | (3,703,163) |
| Net current assets | | 2,968,950 | 2,060,348 |
| Total assets less current liabilities | | 3,094,021 | 2,129,225 |
| Creditors: amounts falling due after more than one year | 8 | (851,839) | (133,093) |
| Provisions for liabilities | | | |
| Deferred tax | 12 | (4,000) | - |
| | | (4,000) | - |
| Net assets | | 2,238,182 | 1,996,132 |
| Capital and reserves | | | |
| Called up share capital | | 2 | 2 |
| Profit and loss account | | 2,238,180 | 1,996,130 |
| | | 2,238,182 | 1,996,132 |

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.

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

1ST MACHINE TOOL ACCESSORIES LIMITED
REGISTERED NUMBER:03472302

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

Mark Jones

Director

Date: 25 September 2023

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 2022

1. General information

1st Machine Tool Accessories Limited is a private company limited by shares and incorporated in England and Wales with the registered number 03472302. Its 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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.

1ST MACHINE TOOL ACCESSORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.8 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.

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.13 Financial instruments (continued)

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Financial liabilities

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

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

3. Employees

The average monthly number of employees, including directors, during the year was 13 (2021 - 12).

1ST MACHINE TOOL ACCESSORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Tangible fixed assets

| | Short-term leasehold property | Motor vehicles | Fixtures and fittings | Total |
|-------------------------------------|-------------------------------------|----------------|--------------------------|----------------|
| | £ | £ | £ | £ |
| Cost or valuation | | | | |
| At 1 January 2022 | 59,596 | 189,459 | 136,190 | 385,245 |
| Additions | - | 81,628 | 13,282 | 94,910 |
| Disposals | - | (125,744) | (3,574) | (129,318) |
| At 31 December 2022 | <u>59,596</u> | <u>145,343</u> | <u>145,898</u> | <u>350,837</u> |
| Depreciation | | | | |
| At 1 January 2022 | 28,645 | 184,698 | 103,025 | 316,368 |
| Charge for the year on owned assets | 2,980 | 17,106 | 18,332 | 38,418 |
| Disposals | - | (125,744) | (3,276) | (129,020) |
| At 31 December 2022 | <u>31,625</u> | <u>76,060</u> | <u>118,081</u> | <u>225,766</u> |
| Net book value | | | | |
| At 31 December 2022 | <u>27,971</u> | <u>69,283</u> | <u>27,817</u> | <u>125,071</u> |
| At 31 December 2021 | <u>30,951</u> | <u>4,761</u> | <u>33,165</u> | <u>68,877</u> |

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

| | 2022 £ | 2021 £ |
|-----------------|---------------|---------------|
| Short leasehold | 27,971 | 30,951 |
| | <u>27,971</u> | <u>30,951</u> |

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

| | 2022 £ | 2021 £ |
|-----------------------------------|---------------|---------------|
| Motor vehicles | 69,283 | 4,761 |
| Furniture, fittings and equipment | 5,578 | 8,488 |
| | <u>74,861</u> | <u>13,249</u> |

1ST MACHINE TOOL ACCESSORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Debtors

| | 2022 £ | 2021 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | 1,121,891 | 860,784 |
| Amounts owed by group undertakings | 1,295,364 | 1,299,297 |
| Other debtors | 3,765,004 | 2,936,004 |
| Prepayments and accrued income | 33,752 | 15,052 |
| | <u>6,216,011</u> | <u>5,111,137</u> |

6. Cash and cash equivalents

| | 2022 £ | 2021 £ |
|--------------------------|------------------|------------------|
| Cash at bank and in hand | 7,349 | 2,739 |
| Less: bank overdrafts | (858,670) | (604,680) |
| | <u>(851,321)</u> | <u>(601,941)</u> |

7. Creditors: Amounts falling due within one year

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| Bank overdrafts | 858,670 | 604,680 |
| Bank loans | 36,363 | 36,364 |
| Trade creditors | 1,247,983 | 1,192,985 |
| Corporation tax | 59,681 | 21,476 |
| Other taxation and social security | 154,236 | 120,330 |
| Obligations under finance lease and hire purchase contracts | 19,096 | 8,495 |
| Other creditors | 1,580,982 | 1,713,386 |
| Accruals and deferred income | 11,177 | 5,447 |
| | <u>3,968,188</u> | <u>3,703,163</u> |

1ST MACHINE TOOL ACCESSORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

| | 2022 £ | 2021 £ |
|--|----------------|----------------|
| Bank loans | 87,879 | 124,242 |
| Net obligations under finance leases and hire purchase contracts | 26,188 | 8,851 |
| Other creditors | 737,772 | - |
| | <u>851,839</u> | <u>133,093</u> |

9. Loans

Analysis of the maturity of loans is given below:

| | 2022 £ | 2021 £ |
|--|----------------|----------------|
| Amounts falling due within one year | | |
| Bank loans | 36,363 | 36,364 |
| | <u>36,363</u> | <u>36,364</u> |
| Amounts falling due 1-2 years | | |
| Bank loans | 87,879 | 124,242 |
| | <u>87,879</u> | <u>124,242</u> |
| | <u>124,242</u> | <u>160,606</u> |

10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

| | 2022 £ | 2021 £ |
|-------------------|---------------|---------------|
| Within one year | 21,677 | 8,944 |
| Between 1-5 years | 27,709 | 9,201 |
| | <u>49,386</u> | <u>18,145</u> |

1ST MACHINE TOOL ACCESSORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11. Financial instruments

| | 2022 | 2021 |
|--|--------------|--------------|
| | £ | £ |
| Financial assets | | |
| Financial assets measured at fair value through profit or loss | <u>7,349</u> | <u>2,739</u> |

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

1ST MACHINE TOOL ACCESSORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. Deferred taxation

| | 2022 £ |
|---------------------------|-----------------------|
| Charged to profit or loss | (4,000) |
| At end of year | <u><u>(4,000)</u></u> |

The deferred taxation balance is made up as follows:

| | 2022 £ | 2021 £ |
|--------------------------------|-----------------------|-----------------|
| Accelerated capital allowances | (4,000) | - |
| | <u><u>(4,000)</u></u> | <u><u>-</u></u> |

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