

REGISTERED NUMBER: 03076287 (England and Wales)

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

FOR

EXTRONICS LIMITED

EXTRONICS LIMITED (REGISTERED NUMBER: 03076287)

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FOR THE YEAR ENDED 31 OCTOBER 2021**

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STATEMENT OF FINANCIAL POSITION
31 OCTOBER 2021

	Notes	31.10.21 £	31.10.20 £
FIXED ASSETS			
Intangible assets	4	1,618,606	1,682,920
Tangible assets	5	<u>52,204</u>	<u>94,345</u>
		<u>1,670,810</u>	<u>1,777,265</u>
CURRENT ASSETS			
Stocks		842,013	832,413
Debtors	6	1,108,391	1,301,885
Cash at bank and in hand		<u>371,170</u>	<u>56,033</u>
		2,321,574	2,190,331
CREDITORS			
Amounts falling due within one year	7	<u>(1,101,314)</u>	<u>(1,094,609)</u>
NET CURRENT ASSETS		<u>1,220,260</u>	<u>1,095,722</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,891,070	2,872,987
CREDITORS			
Amounts falling due after more than one year	8	(474,321)	(586,643)
PROVISIONS FOR LIABILITIES		<u>(5,095)</u>	<u>-</u>
NET ASSETS		<u>2,411,654</u>	<u>2,286,344</u>
CAPITAL AND RESERVES			
Called up share capital		11,100	11,100
Retained earnings		<u>2,400,554</u>	<u>2,275,244</u>
		<u>2,411,654</u>	<u>2,286,344</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 October 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 October 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

EXTRONICS LIMITED (REGISTERED NUMBER: 03076287)

STATEMENT OF FINANCIAL POSITION - continued
31 OCTOBER 2021

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 14 June 2022 and were signed on its behalf by:

J D Hartley - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

1. STATUTORY INFORMATION

EXTRONICS LIMITED is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address are as below:

Registered number: 03076287

Registered office: 1 Dalton Way
Midpoint 18
Middlewich
Cheshire
CW10 0HU

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Preparation of consolidated financial statements

The financial statements contain information about EXTRONICS LIMITED as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

2. **ACCOUNTING POLICIES - continued**

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible and intangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets. See the note in the accounts for the carrying amount of the assets and the accounting policy for the useful economic lives for each class of assets.

(ii) Stock provisions

The company sells and manufactures intrinsically safe and explosion proof equipment. Due to the nature of the industry and the ever increasing developments in technology it is necessary to consider the recoverability of the cost of stock and the associated provision required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of the stock. See the note in the accounts for the net carrying amount of stock and associated provision.

(iii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See the debtors note for the net carrying amount of debtors and associated impairment provision.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2021

2. ACCOUNTING POLICIES - continued

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Extronics Limited sells and manufactures intrinsically safe and explosion proof equipment.

Sale of service contracts are invoiced in full at the start of the contract and the revenue is then deferred and released over the life of the contract.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Goodwill

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Development costs are being amortised evenly over their estimated useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Long leasehold	- straight line over the life of the lease
Plant and machinery	- 33% on cost and 20% on cost

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Government grants

Due to the Covid-19 pandemic, the company has claimed government backed grants under the Coronavirus Job Retention scheme. The grants are recognised as other income in the month to which the payroll costs relate, under the accruals method.

Grants relating to capital expenditure on tangible assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grants relate. Grants for tangible assets are recognised under the accruals method.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after including attributable overheads, and after making due allowance for obsolete and slow moving items.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2021

2. ACCOUNTING POLICIES - continued

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2021

2. **ACCOUNTING POLICIES - continued**

Research and development

Expenditure on research and development is written off in the year of expenditure through the profit and loss account in those circumstances where the outcome of those projects are assessed as not being reasonably certain as regards viability and technical feasibility.

Development expenditure is written off in the year of expenditure in accordance with FRS 102 section 18. Where the company can demonstrate all of the following the costs are deferred to future periods:

- (a) The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- (b) Its intention to complete the intangible asset and use or sell it.
- (c) Its ability to use or sell the intangible asset.
- (d) How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- (e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- (f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs that are deferred to future periods are amortised straight line over five years, the period of sale for which these units are expected to be sold. The amortisation commences with the commercial production or application of the product, service, process or system.

Deferred development expenditure for each project is reviewed at the end of each accounting period and where the circumstances which have justified the deferral of the expenditure no longer apply, or are considered doubtful, the expenditure, to the extent to which it is considered to be irrecoverable, is written off immediately project by project.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Hire purchase and leasing commitments

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2021

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 37 (2020 - 41) .

4. INTANGIBLE FIXED ASSETS

	Goodwill £	Development costs £	Totals £
COST			
At 1 November 2020	250,000	2,540,080	2,790,080
Additions	-	103,541	103,541
At 31 October 2021	<u>250,000</u>	<u>2,643,621</u>	<u>2,893,621</u>
AMORTISATION			
At 1 November 2020	250,000	857,160	1,107,160
Amortisation for year	-	167,855	167,855
At 31 October 2021	<u>250,000</u>	<u>1,025,015</u>	<u>1,275,015</u>
NET BOOK VALUE			
At 31 October 2021	-	1,618,606	1,618,606
At 31 October 2020	-	1,682,920	1,682,920

5. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Totals £
COST			
At 1 November 2020	43,951	560,458	604,409
Additions	-	1,841	1,841
At 31 October 2021	<u>43,951</u>	<u>562,299</u>	<u>606,250</u>
DEPRECIATION			
At 1 November 2020	43,951	466,113	510,064
Charge for year	-	43,982	43,982
At 31 October 2021	<u>43,951</u>	<u>510,095</u>	<u>554,046</u>
NET BOOK VALUE			
At 31 October 2021	-	52,204	52,204
At 31 October 2020	-	94,345	94,345

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.10.21 £	31.10.20 £
Trade debtors	754,433	692,442
Amounts owed by group undertakings	24,067	-
Other debtors	329,891	609,443
	<u>1,108,391</u>	<u>1,301,885</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2021

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.10.21	31.10.20
	£	£
Bank loans and overdrafts	49,152	16,254
Hire purchase contracts	-	5,295
Trade creditors	499,829	542,282
Taxation and social security	28,030	36,661
Other creditors	524,303	494,117
	<u>1,101,314</u>	<u>1,094,609</u>

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

	31.10.21	31.10.20
	£	£
Bank loans	184,594	233,745
Other creditors	289,727	352,898
	<u>474,321</u>	<u>586,643</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans payable more than 5 years by instalments	-	34,008
	<u>-</u>	<u>34,008</u>

9. SECURED DEBTS

The company's bankers have a fixed and floating charge covering all the property or undertaking of the company, incorporating all monies due and charges of deposit.

The other loan was secured by a fixed and floating charge over all property and undertakings of the company.

HSBC Invoice Finance (UK) Ltd have a floating charge covering all the property or undertaking of the company.

The hire purchase liabilities are secured on the related assets.

10. OTHER FINANCIAL COMMITMENTS

The company had total guarantees and commitments at the balance sheet date of £421,544 (2020: £88,548).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2021

11. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 October 2021 and 31 October 2020:

	31.10.21 £	31.10.20 £
J D Hartley		
Balance outstanding at start of year	(1,073)	3,115
Amounts advanced	-	52,868
Amounts repaid	1,073	(57,056)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>(1,073)</u>
H Hartley		
Balance outstanding at start of year	(1,074)	3,114
Amounts advanced	-	52,869
Amounts repaid	1,074	(57,057)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>(1,074)</u>

12. RELATED PARTY DISCLOSURES

All transactions undertaken with the directors, other than noted above, are under normal market conditions and/or are not material.

13. POST BALANCE SHEET EVENTS

There were no material events up to the date of approval of the financial statements by the board.

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.