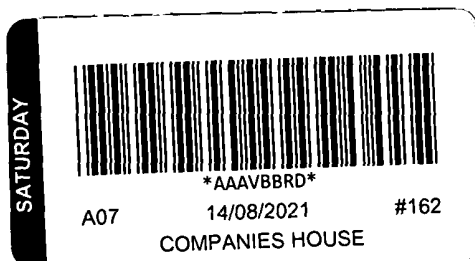


Registered number: 04155600

PRECISION TECHNOLOGIES INTERNATIONAL LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**



PRECISION TECHNOLOGIES INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	CR Palin JFJ Nicklin PV Walker GE Letman L Wardall
Company secretary	JFJ Nicklin
Registered number	04155600
Registered office	22 Mariner Lichfield Road Industrial Estate Tamworth Staffordshire B79 7UL
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG

PRECISION TECHNOLOGIES INTERNATIONAL LIMITED

CONTENTS

	(Page)
Directors' report	1-2
Independent auditor's report	3-5
Statement of comprehensive income	6
Balance sheet	7
Notes to the financial statements	8-15

PRECISION TECHNOLOGIES INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2021

The directors present their report and the financial statements for the year ended 30 April 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Directors

The directors who served during the year were:

CR Palin
JFJ Nicklin
PV Walker
GE Letman
L Wardall

Going concern

There have been no significant events affecting the Company since the year end. Directors believe there are no material uncertainties that call into doubt the Company's ability to continue as a going concern and the accounts have therefore been prepared on the basis that the Company is a going concern. In light of the current climate in relation to the COVID-19 pandemic the directors have reviewed the Company's finances. In the short term cash holdings are sufficient to ensure adequate cashflow for the foreseeable future. In the medium to long term plans for, and the structure of, Precision Technologies International Limited remain extant and will continue to be reviewed regularly.

PRECISION TECHNOLOGIES INTERNATIONAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2021**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

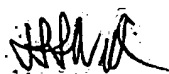
Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 12th August 2021 and signed on its behalf.



JFJ Nicklin
Director

PRECISION TECHNOLOGIES INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PRECISION TECHNOLOGIES INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of Precision Technologies International Limited (the 'Company') for the year ended 30 April 2021, which comprise the Statement of comprehensive income, the Balance sheet and the related notes, 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 30 April 2021 and of its profit 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.

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 Auditor's 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 United Kingdom, including the Financial Reporting Council'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.

PRECISION TECHNOLOGIES INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PRECISION TECHNOLOGIES INTERNATIONAL LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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.

Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

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 Directors' report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

PRECISION TECHNOLOGIES INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PRECISION TECHNOLOGIES INTERNATIONAL LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 1, 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 is 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.

Auditor's 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 an Auditor's report 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:

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of commercial income, posting of unusual journals along with complex transactions and manipulating the Company's key performance indicators to meet targets. We discussed these risks with client management, designed audit procedures to test the timing of commercial revenue, tested a sample of journals to confirm they were appropriate and reviewed areas of judgement for indicators of management bias to address these risks.

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 Auditor's report.

Crowe UK LLP

Mark Evans (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 12 August 2021

PRECISION TECHNOLOGIES INTERNATIONAL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2021**

	2021 £	As restated 2020 £
Turnover	4,709,098	4,735,033
Cost of sales	(3,144,063)	(3,105,794)
Gross profit	1,565,035	1,629,239
Administrative expenses	(1,761,458)	(2,115,977)
Other operating income	570,613	107,778
Operating profit/(loss)	374,190	(378,960)
Interest receivable and similar income	14	51
Interest payable and similar expenses	(87,014)	(122,694)
Profit/(loss) before tax	287,190	(501,603)
Tax on profit/(loss)	246,842	432,261
Profit/(loss) for the financial year	533,032	(69,342)

There were no recognised gains and losses for 2021 or 2020 other than those included in the profit and loss account.

The notes on pages 8 to 15 form part of these financial statements.

PRECISION TECHNOLOGIES INTERNATIONAL LIMITED
REGISTERED NUMBER: 04155600

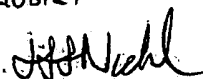
BALANCE SHEET
AS AT 30 APRIL 2021

	Note	2021 £	As restated 2020 £
Fixed assets			
Intangible assets	4	17,615	85,536
Tangible assets	5	1,032,779	798,958
		<u>1,050,394</u>	<u>884,494</u>
Current assets			
Stocks		593,351	409,154
Debtors: amounts falling due within one year	6	2,659,560	1,487,429
Cash at bank and in hand		203,303	176,272
		<u>3,456,214</u>	<u>2,072,855</u>
Creditors: amounts falling due within one year	7	(1,898,008)	(1,498,952)
Net current assets		<u>1,558,206</u>	<u>573,903</u>
Total assets less current liabilities		<u>2,608,600</u>	<u>1,458,397</u>
Creditors: amounts falling due after more than one year	8	(1,269,756)	(708,216)
Provisions for liabilities			
Deferred tax		(140,853)	(85,224)
Net assets		<u><u>1,197,991</u></u>	<u><u>664,957</u></u>
Capital and reserves			
Called up share capital		3,040,002	3,040,002
Profit and loss account		(1,842,011)	(2,375,045)
		<u><u>1,197,991</u></u>	<u><u>664,957</u></u>

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 were approved and authorised for issue by the board and were signed on its behalf on

12/08/21



JFJ Nicklin
 Director

The notes on pages 8 to 15 form part of these financial statements.

PRECISION TECHNOLOGIES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

1. General information

The company's principal activity continues to be manufacture of precision components for the automotive, motor sport and aerospace industries.

The company is a private company limited by shares and is incorporated in England, registration number 04155600. The address of its registered office is 22 Mariner, Lichfield Road Industrial Estate, Staffordshire, B79 7UL.

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 Going concern

The company is reliant on financial support from its ultimate parent company (Gearing Up Limited). Gearing Up Limited has agreed to provide sufficient financial and other resources to enable the company to continue as a going concern. Gearing Up Limited has secured long term finance from its investors. Therefore the directors consider it appropriate to prepare the financial statements on a going concern basis.

In light of the current climate in relation to the COVID-19 pandemic the directors have reviewed the company's finances. In the short term cash holdings are sufficient to ensure adequate cashflow for the foreseeable future. In the medium to long term plans for, and the structure of, Precision Technologies International Limited extant and will continue to be reviewed regularly.

2.3 Revenue

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Sales are recognised in line with agreed sales terms, generally upon dispatch.

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 profit and loss account in the same period as the related expenditure.

PRECISION TECHNOLOGIES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

2. Accounting policies (continued)

2.5 Intangible assets

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life which is deemed to be 20 years.

Impairment tests on the carrying value of goodwill are undertaken at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Computer software will be written off in equal instalments over its useful economic life which is deemed to be 3 years.

2.6 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:

Long-term leasehold property	-	20% Straight line basis
Plant and machinery	-	15% Straight line basis
Motor vehicles	-	33% Straight line basis
Fixtures and fittings	-	33% Straight line basis
Computer equipment	-	33% Straight line basis

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.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value.

PRECISION TECHNOLOGIES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

2. Accounting policies (continued):

2.8 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.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction price.

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.

2.9 Borrowing costs

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

3. Employees

The average monthly number of employees, including directors, during the year was 69 (2020 = 76).

PRECISION TECHNOLOGIES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

4. Intangible assets

	Computer software £	Goodwill £	Total £
Cost			
At 1 May 2020	124,432	6,222,052	6,346,484
At 30 April 2021	124,432	6,222,052	6,346,484
Amortisation			
At 1 May 2020	88,276	6,172,672	6,260,948
Charge for the year on owned assets	18,541	49,380	67,921
At 30 April 2021	106,817	6,222,052	6,328,869
Net book value			
At 30 April 2021	17,615	-	17,615
At 30 April 2020	36,156	49,380	85,536

PRECISION TECHNOLOGIES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

5. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 May 2020	142,799	3,410,507	3,553,306
Additions	9,455	441,739	451,194
Disposals	-	(182,192)	(182,192)
At 30 April 2021	152,254	3,670,054	3,822,308
Depreciation			
At 1 May 2020	69,646	2,684,702	2,754,348
Charge for the year on owned assets	37,435	179,892	217,327
Disposals	-	(182,146)	(182,146)
At 30 April 2021	107,081	2,682,448	2,789,529
Net book value			
At 30 April 2021	45,173	987,606	1,032,779
At 30 April 2020	73,153	725,805	798,958

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

	2021 £	2020 £
Plant and machinery	344,187	447,497
	344,187	447,497

PRECISION TECHNOLOGIES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

6. Debtors

	2021 £	As restated 2020 £
Trade debtors	742,658	461,910
Amounts owed by group undertakings	1,465,814	430,530
Other debtors	307,785	397,580
Prepayments and accrued income	143,303	197,409
	<u>2,659,560</u>	<u>1,487,429</u>

7. Creditors: Amounts falling due within one year

	2021 £	As restated 2020 £
Bank loans	333,333	250,000
Invoice discounting creditor	201,799	208,605
Trade creditors	477,222	371,475
Other taxation and social security	332,362	304,856
Obligations under finance lease and hire purchase contracts	105,085	97,201
Other creditors	448,207	266,815
	<u>1,898,008</u>	<u>1,498,952</u>

The invoice discounting facility is secured via a charge over the Company's trade debtors.

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

	2021 £	As restated 2020 £
Bank loans	1,166,667	500,000
Net obligations under finance leases and hire purchase contracts	103,089	208,216
	<u>1,269,756</u>	<u>708,216</u>

Loans are secured by fixed and floating charges over the assets of the Company.

PRECISION TECHNOLOGIES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

9. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	As restated 2020 £
Within one year	105,085	97,201
Between 1-5 years	103,089	208,216
	<u>208,174</u>	<u>305,417</u>

10. Share capital

	2021 £	As restated 2020 £
Authorised, allotted, called up and fully paid		
3,040,002 (2020 - 3,040,002) Ordinary shares shares of £1.00 each	<u>3,040,002</u>	<u>3,040,002</u>

11. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions totaling £18,607 (2020 - £29,397) were payable to the fund at the balance sheet date.

12. Related party transactions

The company has taken advantage of the exemption under FRS 102, 33.1A not to disclose related party transactions between wholly owned members of the same group.

13. Controlling party

The company's immediate parent company is Precision Engineering Solutions Limited. The ultimate parent company is Gearing Up Limited. The address of the ultimate parent undertaking is 22 Mariner, Lichfield Road Industrial Estate, Tamworth, Staffordshire, B79 7UL.

PRECISION TECHNOLOGIES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

14. Prior year adjustment

A prior period adjustment has been identified for the investment value within Precision Engineering Solutions Limited for Precision Technologies International Limited, including the share capital conversion on acquisition. This has been reflected within the investment value, intercompany loan accounts, share capital and other reserves as required.

A prior period adjustment has been made for the reclassification of a loan which has now been correctly shown within Precision Technologies International Limited from Gearing Up Limited. This has also been reflected within intercompany loan accounts, loan interest and management charges.