

Hi-Tech Fabrication Ltd

Annual Report and Financial Statements
for the Year Ended 31 December 2021

Bissell & Brown Midlands Ltd
Chartered Certified Accountants
Charter House, 56 High Street
Sutton Coldfield
West Midlands
B72 1UJ

Hi-Tech Fabrication Ltd

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Hi-Tech Fabrication Ltd

Company Information

Director	S J Winter
Registered office	Bretby Business Park Ashby Road Burton On Trent Staffordshire DE15 0YZ
Auditors	Bissell & Brown Midlands Ltd Chartered Certified Accountants Charter House, 56 High Street Sutton Coldfield West Midlands B72 1UJ

Hi-Tech Fabrication Ltd
(Registration number: 05554410)
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	<u>6</u>	122,140	77,473
Current assets			
Stocks	<u>7</u>	183,693	207,366
Debtors	<u>8</u>	2,708,701	3,168,752
Cash at bank and in hand		620,702	144,009
		<u>3,513,096</u>	<u>3,520,127</u>
Creditors: Amounts falling due within one year	<u>9</u>	<u>(1,974,443)</u>	<u>(2,126,678)</u>
Net current assets		<u>1,538,653</u>	<u>1,393,449</u>
Total assets less current liabilities		1,660,793	1,470,922
Creditors: Amounts falling due after more than one year	<u>9</u>	<u>(1,564,810)</u>	<u>(1,679,237)</u>
Provisions for liabilities		<u>(1,049)</u>	<u>(1,049)</u>
Net assets/(liabilities)		<u>94,934</u>	<u>(209,364)</u>
Capital and reserves			
Called up share capital	<u>10</u>	2,579,221	2,579,221
Profit and loss account		<u>(2,484,287)</u>	<u>(2,788,585)</u>
Total equity		<u>94,934</u>	<u>(209,364)</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Directors' Report or the Profit and Loss Account has been taken.

Approved and authorised by the director on 19 December 2022

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S J Winter
Director

Hi-Tech Fabrication Ltd

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

The company is a private company limited by share capital, incorporated in England & Wales. The company's registration number is 05554410.

The address of its registered office is:
Bretby Business Park
Ashby Road
Burton On Trent
Staffordshire
DE15 0YZ

These financial statements were authorised for issue by the director on 19 December 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

Hi-Tech Fabrication Ltd

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Going concern

The Company has made an Operating Profit of £243,295 during the year under review (2020: Operational loss of £555,105). The markets in which the Company and wider group operates were significantly affected by adverse conditions, compounded by the impact of COVID-19. During the year, the markets rebounded resulting in a rise in turnover from £4.3 million, to £7.1 million. The improvement is expected to continue into 2022.

In the light of these challenges Manoir Industries SAS, the immediate parent of the Company, was compelled to request the protection of a formal receivership process in order to enable it to restructure its operations and debts in an orderly manner. On 25th February 2021 Manoir Industries was placed into a court administered insolvency process in France and an initial 6-month observation period commenced.

Manoir Industries formally came out of the receivership procedure on 15th October 2021 with the Court accepting the business continuity recovery plan presented by CAM-SPC, the ultimate controlling shareholder of Manoir Industries. This plan includes significant planned investment to bring the industrial plant to the required level, to diversify activities and to increase the commercial capabilities of Manoir Industries. These objectives taken together should support and enable the growth planned.

This level of investment and ongoing support will be extended to include Hi-Tech Fabrication Limited. The plan also includes a schedule of debt repayment over a period ending in 2030.

Within the UK, the Directors have given careful thought as to their best estimate of the ongoing and future wider economic activity and on the specific markets in which the wider group operates. They have restructured the business accordingly, taking advantage of Government support schemes available. By the nature of their operations the Company will continue to be exposed to foreign exchange gains and losses to the extent to which the Company is unable to take out the appropriate hedging mechanisms.

The Directors are optimistic that business activity will improve as vaccine programs become more widespread, business confidence and activity levels rise and the continuity plan presented by Manoir Industries is implemented.

The Directors have prepared profit and cashflow projections covering the year ending 31 December 2023 which indicate that the company will return to profitability.

The profit and cashflow projections depend on subjective judgements and assumptions and they are, according to the nature of the business and the period covered, subject to inherent uncertainty, in particular, to the value of turnover secured, gross profit margin achieved, assumptions over the level of foreign exchange rates and the level of working capital funding provided by Manoir Industries made available through intra group trading and loan accounts.

In taking these and all other factors into account the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and thus continue to adopt the going concern basis of accounting in preparing the annual financial statements. The accounts do not include any adjustments that would arise if this concept turned out not to be appropriate.

Hi-Tech Fabrication Ltd

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Changes in accounting estimate

The effect of the change on assets, liabilities, income and expense in the current year is as follows:

	2021 £	2020 £
Turnover	772,517	(144,068)
Cost of sales	575,871	(263,020)
Gross profit	196,646	118,952
Stocks	(1,307,237)	(897,828)
Trade debtors	1,169,526	397,009
Prepayments	137,711	304,173
Profit and loss reserve brought forward	(196,646)	(315,598)

Contract revenue recognition

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:

Rendering of services under construction contracts

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.
- judgements in applying this policy are outlined in note 3.

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:

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.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Hi-Tech Fabrication Ltd

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Foreign currency transactions and balances

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the profit and loss.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	7-33% straight line
Fixture and fittings	33% straight line
Computer and office equipment	33% straight line

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Hi-Tech Fabrication Ltd

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Asset class	Amortisation method and rate
Software	33% straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit and loss. Reversals of impairment losses are also recognised in profit or loss.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Hi-Tech Fabrication Ltd

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Financial instruments

The company has elected to apply provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to 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 to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, cash and bank balances, are initially measured at transaction price including transaction costs, and are subsequently carried at amortised cost using the effective interest method, 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. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting date.

Classification of 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 deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at the amortised cost using the effective interest method.

3 Staff numbers

The average number of persons employed (including the director) during the year was 61 (2020 - 65).

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Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

4 Taxation

Deferred tax

Deferred tax assets and liabilities

	Asset £	Liability £
2021		
Accelerated capital allowances	-	6,027
Short term timing differences	4,978	-
	<u>4,978</u>	<u>6,027</u>
	<u><u>4,978</u></u>	<u><u>6,027</u></u>
2020		
Accelerated capital allowances	-	6,027
Short term timing differences	4,978	-
	<u>4,978</u>	<u>6,027</u>
	<u><u>4,978</u></u>	<u><u>6,027</u></u>

5 Intangible assets

	Internally generated software development costs £	Total £
Cost or valuation		
At 1 January 2021	<u>85,454</u>	<u>85,454</u>
At 31 December 2021	<u>85,454</u>	<u>85,454</u>
Amortisation		
At 1 January 2021	<u>85,454</u>	<u>85,454</u>
At 31 December 2021	<u>85,454</u>	<u>85,454</u>
Carrying amount		
At 31 December 2021	<u><u>-</u></u>	<u><u>-</u></u>
At 31 December 2020	<u><u>-</u></u>	<u><u>-</u></u>

Hi-Tech Fabrication Ltd

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

6 Tangible assets

	Fixtures and fittings £	Plant and machinery £	Office equipment £	Total £
Cost or valuation				
At 1 January 2021	104,177	1,596,849	133,837	1,834,863
Additions	-	32,391	1,675	34,066
Disposals	(7,000)	-	(85,870)	(92,870)
At 31 December 2021	97,177	1,629,240	49,642	1,776,059
Depreciation				
At 1 January 2021	104,177	1,523,071	130,142	1,757,390
Charge for the year	-	(14,029)	3,263	(10,766)
Eliminated on disposal	(7,000)	-	(85,705)	(92,705)
At 31 December 2021	97,177	1,509,042	47,700	1,653,919
Carrying amount				
At 31 December 2021	-	120,198	1,942	122,140
At 31 December 2020	-	73,778	3,695	77,473

During the year the company has assessed the depreciation and residual value of tangible fixed assets and has written back the depreciation to align with the residual value.

7 Stocks

	2021 £	2020 £
Stock	183,693	207,366

8 Debtors

	Note	2021 £	2020 £
Trade debtors		2,015,047	1,226,525
Amounts owed by related parties	12	255,718	1,297,958
Other debtors		177,899	236,209
Prepayments		259,737	408,060
Income tax asset		300	-
		2,708,701	3,168,752
Less non-current portion		(357,501)	(216,161)
		2,351,200	2,952,591

Hi-Tech Fabrication Ltd

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

9 Creditors

Creditors: amounts falling due within one year

	Note	2021 £	2020 £
Due within one year			
Loans and borrowings	9.1	1,302	19,633
Trade creditors		679,946	282,077
Amounts owed to group undertakings and undertakings in which the company has a participating interest	12	620,837	907,018
Taxation and social security		53,440	84,881
Other creditors		91,787	535,405
Accrued expenses		527,131	297,664
		<u>1,974,443</u>	<u>2,126,678</u>

Creditors: amounts falling due after more than one year

	Note	2021 £	2020 £
Due after one year			
Loans and borrowings	9.1	-	1,830
Amounts owed by group undertakings		1,564,810	1,677,407
		<u>1,564,810</u>	<u>1,679,237</u>

9.1 Loans and borrowings

	2021 £	2020 £
Current loans and borrowings		
HP and finance lease liabilities	<u>1,302</u>	<u>19,633</u>

	2021 £	2020 £
Non-current loans and borrowings		
Hire purchase contracts	<u>-</u>	<u>1,830</u>

10 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary A Shares share of £1 each	2,579,221	2,579,221	2,579,221	2,579,221

Hi-Tech Fabrication Ltd

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

10 Share capital (continued)

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

Holders of the ordinary share capital have a right to vote and receive dividends.

11 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £8,244,248 (2020 - £8,882,414).

The total amount of contingencies not included in the balance sheet is £1 (2020 - £1). On 7 August 2020 a contingent liability over all the net assets of the company in favour of Equitis Gestion.

12 Related party transactions

In preparing these financial statements, advantage has been taken under the provision of section 33 of FRS 102 which states that disclosure is not required of transactions with entities that are part of the group as the company is a wholly owned subsidiary.

13 Parent and ultimate parent undertaking

On 7 August 2020 100% of the share capital was transferred to Equitis Gestion.

Equitis Gestion acts as a Fiduciary Corporate director on behalf of the French government.

The shares are held in trust as security against the French funding in the parent company, and will continue to be held until the funding has been fully repaid.

Manoir Industries SAS still has full day to day operational control.

The company's immediate parent is Manoir Industries SAS, incorporated in France.

The ultimate parent is Cam - SPC - Ocean SP, incorporated in Caymen Islands.

The most senior parent entity producing publicly available financial statements is Manoir Group SAS. These financial statements are available upon request from 37 Rue de Liege, Paris, 75008, France.

Hi-Tech Fabrication Ltd

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

14 Audit report information

Audit report

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

Material uncertainty in relation to going concern

We draw your attention to note 2 of the financial statements, which sets out that on 25th February 2021 Manoir Industries SAS, the immediate parent undertaking of the Company, was placed into a court administered receivership process in France and an initial 6month observation period commenced.

Manoir Industries formally came out of the receivership procedure on 15th October 2021 with the Court accepting the business continuity recovery plan presented by CAM-SPC, the ultimate controlling shareholder of the Manoir Group.

In view of the dependence of the Company on the continued provision of working capital funding by Manoir Industries SAS and the circumstances set out in note 2, these conditions indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

In auditing the financial statements, we have concluded that Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

The Independent Auditor's Report was unqualified. . The name of the Senior Statutory Auditor who signed the audit report on 19 December 2022 was John James Taheny, who signed for and on behalf of Bissell & Brown Midlands Ltd.

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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.