
TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

Opinion

We have audited the financial statements of Trac Holdings Limited (formerly Rcap Eleven Limited) (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 31 March 2025, which comprise the Consolidated statement of comprehensive income, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows, the Consolidated statement of changes in equity, the Company statement of changes in equity 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 Group's and of the parent Company's affairs as at 31 March 2025 and of the Group's profit for the period 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 Group's or the parent 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.

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED) (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 Group strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED) (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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 Group 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.

Based on our understanding of the Group and industry, key laws and regulations that we identified included:

- Companies Act;
- Tax legislation; and
- Health and safety and employment legislation.

We identified that the principal risk of fraud or non-compliance with laws and regulations related to:

- Management bias in respect of accounting estimates and judgements made;
- Management override of controls; and
- Posting of unusual journals or transactions.

We focused on those areas that could give rise to a material misstatement in the Group's financial statements.

Our procedures included, but were not limited to:

- Enquiry of management and those charged with governance around actual and potential litigation and claims, including instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance, where available;
- Reviewing legal expenditure in the year to identify instances of non-compliance with laws and regulations and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED) (CONTINUED)

- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias, in particular the valuation of stock and the release of negative goodwill.

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Newman (Senior statutory auditor)

for and on behalf of

PKF Smith Cooper Audit Limited

Statutory Auditors

Cornerblock
2 Cornwall Street
Birmingham
West Midlands
B3 2DX

29 May 2025

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2025**

	Note	Period ended 31 March 2025 £000	<i>Year ended 30 April 2024 £000</i>
Turnover	4	22,224	24,757
Cost of sales		(18,989)	(20,660)
Gross profit		3,235	4,097
Administrative expenses		(388)	(679)
Operating profit	5	2,847	3,418
Interest payable and similar expenses	9	(390)	(588)
Profit before taxation		2,457	2,830
Tax on profit	10	-	-
Profit for the financial period / year		2,457	2,830
Profit for the period attributable to:			
Owners of the parent Company		2,457	2,830
		2,457	2,830

There was no other comprehensive income for 2025 (2024: £NIL).

The notes on pages 18 to 37 form part of these financial statements.

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)
REGISTERED NUMBER: 14189489

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2025

	Note	31 March 2025 £000	30 April 2024 £000
Fixed assets			
Negative goodwill	12	(3,060)	(4,623)
Tangible assets	13	3,599	4,219
		<u>539</u>	<u>(404)</u>
Current assets			
Stocks	15	6,840	7,222
Debtors: amounts falling due within one year	16	3,640	4,168
Cash at bank and in hand	17	1,246	753
		<u>11,726</u>	<u>12,143</u>
Creditors: amounts falling due within one year	18	(3,732)	(5,684)
		<u>7,994</u>	<u>6,459</u>
Net current assets		<u>7,994</u>	<u>6,459</u>
Total assets less current liabilities		<u>8,533</u>	<u>6,055</u>
Creditors: amounts falling due after more than one year	19	(302)	(281)
Provisions for liabilities			
Net assets		<u><u>8,231</u></u>	<u><u>5,774</u></u>
Capital and reserves			
Called up share capital	23	-	-
Share premium account	24	14	14
Profit and loss account	24	8,217	5,760
		<u>8,231</u>	<u>5,774</u>

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

S Agarwal
Director

Date: 29 May 2025

The notes on pages 18 to 37 form part of these financial statements.

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)
REGISTERED NUMBER: 14189489

COMPANY BALANCE SHEET
AS AT 31 MARCH 2025

	Note	31 March 2025 £000	30 April 2024 £000
Fixed assets			
Investments	14	1,210	1,210
		<u>1,210</u>	<u>1,210</u>
Current assets			
Debtors: amounts falling due after more than one year	16	8,000	-
Debtors: amounts falling due within one year	16	3,000	5,000
Cash at bank and in hand	17	-	25
		<u>11,000</u>	<u>5,025</u>
Creditors: amounts falling due within one year	18	(4,596)	(6,522)
Net current assets / (liabilities)		<u>6,404</u>	<u>(1,497)</u>
Total assets less current liabilities		<u>7,614</u>	<u>(287)</u>
Net assets / (liabilities)		<u><u>7,614</u></u>	<u><u>(287)</u></u>
Capital and reserves			
Called up share capital	23	-	-
Share premium account	24	14	14
Profit and loss account brought forward		(301)	(101)
Profit/(loss) for the period / year		7,901	(200)
Profit and loss account carried forward	24	7,600	(301)
		<u>7,614</u>	<u>(287)</u>

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

Date: 29 May 2025

The notes on pages 18 to 37 form part of these financial statements.

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2025**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Equity attributable to owners of parent Company £000	Total equity £000
At 1 May 2023	-	-	2,930	2,930	2,930
Profit for the year	-	-	2,830	2,830	2,830
Shares issued during the year	-	14	-	14	14
At 1 May 2024	-	14	5,760	5,774	5,774
Profit for the period	-	-	2,457	2,457	2,457
At 31 March 2025	-	14	8,217	8,231	8,231

The notes on pages 18 to 37 form part of these financial statements.

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2025**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 May 2023	-	-	(101)	(101)
Loss for the year	-	-	(200)	(200)
Shares issued during the year	-	14	-	14
At 1 May 2024	-	14	(301)	(287)
Profit for the period	-	-	7,901	7,901
At 31 March 2025	-	14	7,600	7,614

The notes on pages 18 to 37 form part of these financial statements.

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2025**

	Period ended 31 March 2025 £000	<i>Year ended 30 April 2024 £000</i>
Cash flows from operating activities		
Profit for the financial period / year	2,457	2,830
Adjustments for:		
Release of negative goodwill	(1,563)	(1,755)
Depreciation of tangible assets	800	776
Profit on disposal of tangible assets	-	(4)
Interest payable	390	588
Decrease/(increase) in stocks	382	(351)
Decrease/(increase) in debtors	528	(733)
(Decrease) in creditors	(856)	(315)
Net cash generated from operating activities	2,138	1,036
Cash flows from investing activities		
Purchase of tangible fixed assets	(60)	(245)
Sale of tangible fixed assets	-	4
Net cash from investing activities	(60)	(241)

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2025**

	Period ended 31 March 2025 £000	<i>Year ended 30 April 2024 £000</i>
Cash flows from financing activities		
Issue of ordinary shares	-	14
(Repayments) / advances on invoice financing facilities	(176)	(710)
Repayment of other loans	(1,000)	-
Interest paid	(340)	(488)
Repayment of hire purchase liabilities	(69)	(18)
	<hr/>	<hr/>
Net cash used in financing activities	(1,585)	(1,202)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	493	(407)
Cash and cash equivalents at beginning of period	753	1,160
	<hr/>	<hr/>
Cash and cash equivalents at the end of period	1,246	753
	<hr/> <hr/>	<hr/> <hr/>
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	1,246	753
	<hr/>	<hr/>
	1,246	753
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 18 to 37 form part of these financial statements.

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE PERIOD ENDED 31 MARCH 2025**

	At 1 May 2024 £000	Cash flows £000	New finance leases £000	At 31 March 2025 £000
Cash at bank and in hand	753	493	-	1,246
Debt due within 1 year	(1,901)	1,176	-	(725)
Finance leases	(337)	69	(120)	(388)
	<u>(1,485)</u>	<u>1,738</u>	<u>(120)</u>	<u>133</u>

The notes on pages 18 to 37 form part of these financial statements.

Debt due within 1 year includes the Group's invoice financing facilities totalling £725,000 (2024: £901,000) which are included in other creditors as detailed in note 18.

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

1. General information

Trac Holdings Limited (formerly Rcap Eleven Limited) is a private company, limited by shares, registered in England, United Kingdom. The Company's registration number and registered office address can be found on the Company Information page. The principal activity of the Company is disclosed in the Directors report.

The financial statements cover an 11 month period from 1 May 2024 to 31 March 2025. The previous financial period covered a 12 month accounting period from 1 May 2023 to 30 April 2024. The reporting period has been shortened in order to harmonise the reporting period with that of the ultimate parent undertaking, PTC Industries Limited. As a result, the reported figures for the current and comparative year and therefore not entirely comparable.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The presentation currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

2. Accounting policies (continued)**2.3 Going concern**

These financial statements have been prepared on a going concern basis. The current economic conditions present risks for all businesses. In response to such conditions, the directors have carefully considered these risks, including the assessment of uncertainty on future trading projection for a period of at least 12 months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

The directors have confirmed that they believe that the Group will be operating on a going concern basis. Demand from existing customers remains strong and coupled with the new product introduction the directors envisage the Group's position will enable to continue to grow and invest in machining capabilities, after taking into consideration possible downsides, which include increased energy costs, inflationary increases and increases to interest rates.

The consolidated balance sheet is reflecting a net current asset position.

Based on this assessment, the directors consider that the Group maintains an appropriate level of liquidity sufficient to meet the demands of the business. Consequently, the directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and, therefore, have prepared the financial statements on a going concern basis.

2.4 Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

Revenues and costs expressed in foreign currencies are translated into Sterling rates of exchange ruling on the date on which the transactions occur, except for transactions to be settled at a contracted rate. Differences arising on the translation of such items are dealt with in the Consolidated Statement of Comprehensive Income.

2.5 Finance leases

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2.6 Turnover

Turnover is recognised when the risks and rewards of ownership have been transferred, which is usually on despatch or collection of goods by customers, and represents the amounts invoiced, excluding value added tax, in respect of the sale of goods and services to customers.

2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight-line basis over the lease term.

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

2. Accounting policies (continued)**2.8 Research and development**

Expenditure on research and development is written off in the Consolidated statement of comprehensive income in the year in which it is incurred.

2.9 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income 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.

2.10 Pensions

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions payable to the Group's pension scheme are charged to the Consolidated statement of comprehensive income in the period to which they relate.

2.11 Taxation**Current taxation**

Tax on profit or loss for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments tax payable in respect of previous years.

Payment is made for any tax losses surrendered by companies within the group.

Deferred taxation

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expenses.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

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.

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

2. Accounting policies (continued)

2.12 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of business combinations and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Negative goodwill arises where the purchase price of the business combination is below the fair value of the Group's share of its identifiable assets and liabilities of the acquiree on acquisition. Subsequent to initial recognition, negative goodwill is recognised in the Consolidated statement of comprehensive income over the period in which the non-monetary assets acquired are recovered.

Negative goodwill on the non-monetary assets acquired is amortised through the Consolidated Statement of Comprehensive Income on the following basis:

- Tangible fixed assets - as recovered, based on the depreciation or disposal of the relevant assets of the acquired subsidiaries.
- Stock - as recovered based on the sale or disposal of stock of the acquired subsidiaries.

2.13 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the cost attributable to bringing the asset to its working condition for its intended use.

Depreciation is charged on a straight line basis at rates calculated to write down assets to estimated residual value over their expected useful life as follows:

Leasehold improvements	- 10%
Plant and machinery	- 4% - 20%
Fixtures and fittings	- 10% - 33%
Assets under construction	- Not depreciated
Computer software	- 33%
Computer hardware	- 33%

The Group assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method. Work in progress and finished goods consist of material and direct labour costs, together with an appropriate proportion of production overheads.

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

2. Accounting policies (continued)**2.16 Debtors**

Trade and other debtors are recognised initially at transaction price less attributable transaction costs.

2.17 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.

2.18 Creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs.

2.19 Financial instruments

The Group 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

2.20 Impairment**Financial assets (including trade and other debtors)**

A financial asset not carried at fair value through the Consolidated statement of comprehensive income is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

2. Accounting policies (continued)

For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the Consolidated Statement of Comprehensive Income. When subsequent events cause the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Consolidated Statement of Comprehensive Income.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than stocks, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated Statement of Comprehensive Income. An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The Directors are continually evaluating estimates and judgements based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The Directors consider that the following are critical account judgements in applying the Group's accounting policies.

Carrying value of stocks

One key source of estimation uncertainty at the balance sheet date relates to the carrying value of stock and work in progress. Management continually assesses the recoverability of its assets in light of customer demand.

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

3. Judgements in applying accounting policies (continued)

Negative goodwill

The Directors have assessed the period over which the negative goodwill which has arisen on business combinations during the year should be released. A review of the non-monetary assets which were acquired as part of the business combination, which were tangible fixed assets and stocks, was performed and the Directors have made an appropriate assessment as to the value of non-monetary assets which have been recovered up to the balance sheet date and have calculated the amount of negative goodwill which should be released up to the year end. The Directors continue to assess the period over which the non-monetary assets will be recovered and will make appropriate judgements in future periods.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Group.

Analysis of turnover by country of destination:

	Period ended 31 March 2025 £000	<i>Year ended 30 April 2024 £000</i>
United Kingdom	8,777	7,938
Europe	11,969	15,047
Rest of the world	1,478	1,772
	<u>22,224</u>	<u>24,757</u>

5. Operating profit

The operating profit is stated after charging / (crediting):

	Period ended 31 March 2025 £000	<i>Year ended 30 April 2024 £000</i>
Operating lease expense	316	356
Depreciation	800	776
Profit on disposal of fixed assets	-	(4)
Foreign exchange losses	48	62
Restructuring costs	207	183
Release of negative goodwill arising on acquisition	<u>(1,563)</u>	<u>(1,755)</u>

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

6. Auditors' remuneration

During the period, the Group obtained the following services from the Company's auditors:

	Period ended 31 March 2025 £000	<i>Year ended 30 April 2024 £000</i>
Fees payable to the Group's auditors for the audit of the Group's financial statements	7	6
Fees payable to the Group's auditors for the audit of the Group's subsidiary undertakings	54	56
	<hr/> <hr/>	<hr/> <hr/>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group Period ended 31 March 2025 £000	<i>Group Year ended 30 April 2024 £000</i>
Wages and salaries	6,504	7,001
Social security costs	698	759
Cost of defined contribution scheme	789	806
	<hr/> 7,991 <hr/>	<hr/> 8,566 <hr/>

The average monthly number of employees, including the directors, during the period was as follows:

	Period ended 31 March 2025 No.	<i>Year ended 30 April 2024 No.</i>
Management and administration	69	77
Production	93	86
	<hr/> 162 <hr/>	<hr/> 163 <hr/>

The Company has no employees other than the directors, whose remuneration is disclosed in note 8.

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

8. Directors' remuneration

	Period ended 31 March 2025 £000	<i>Year ended 30 April 2024 £000</i>
Directors' emoluments	34	-
Contributions to defined contribution pension schemes	3	-
	<u>37</u>	<u>-</u>

During the period, the Group incurred directors fees totalling £31,000 (2024: £60,000).

9. Interest payable and similar expenses

	Period ended 31 March 2025 £000	<i>Year ended 30 April 2024 £000</i>
Bank interest payable	95	83
Other loan interest	99	200
Invoice discounting	196	305
	<u>390</u>	<u>588</u>

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

10. Taxation

	Period ended 31 March 2025 £000	<i>Year ended 30 April 2024 £000</i>
Current tax		
Current tax on profits for the year	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Tax on profit	<u>-</u>	<u>-</u>

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (*2024 - lower than*) the standard rate of corporation tax in the UK of 25% (*2024 - 25%*). The differences are explained below:

	Period ended 31 March 2025 £000	<i>Year ended 30 April 2024 £000</i>
Profit on ordinary activities before tax	<u>2,457</u>	<u>2,830</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (<i>2024 - 25%</i>)	614	708
Effects of:		
Non-taxable release of negative goodwill	(391)	(438)
Expenses not deductible for tax purposes	115	20
Capital allowances for period/year in excess of depreciation	(308)	(441)
Short-term timing differences	-	8
Movement in tax losses carried forward	(30)	143
Total tax charge for the period/year	<u>-</u>	<u>-</u>

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

10. Taxation (continued)

Factors that may affect future tax charges

The Group has estimated tax losses carried forward of £99,922,000 (2024: £100,467,000) which are expected to offset against future trading profits of the Group.

There is an estimated unrecognised deferred tax asset of £26,669,000 (2024: £27,106,000) which will be recognised when the directors foresee future taxable profits.

11. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the period/year was £7,901,000 (2024 - loss £200,000).

12. Intangible assets

Group

	Negative goodwill £000
Cost	
At 1 May 2024	(10,213)
At 31 March 2025	(10,213)
Amortisation	
At 1 May 2024	(5,590)
Released during the year	(1,563)
At 31 March 2025	(7,153)
Net book value	
At 31 March 2025	(3,060)
At 30 April 2024	(4,623)

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

12. Intangible assets (continued)

Company

There are no intangible fixed assets held in the Parent Company

13. Tangible fixed assets

Group

	Leasehold improve- ments £000	Plant and machinery £000	Computer hardware £000	Computer software £000	Assets under construction £000	Total £000
Cost						
At 1 May 2024	34	4,863	24	92	338	5,351
Additions	-	-	-	-	180	180
Transfers between classes	-	512	6	-	(518)	-
At 31 March 2025	<u>34</u>	<u>5,375</u>	<u>30</u>	<u>92</u>	<u>-</u>	<u>5,531</u>
Depreciation						
At 1 May 2024	8	1,104	4	16	-	1,132
Charge for the year	6	757	8	29	-	800
At 31 March 2025	<u>14</u>	<u>1,861</u>	<u>12</u>	<u>45</u>	<u>-</u>	<u>1,932</u>
Net book value						
At 31 March 2025	<u><u>20</u></u>	<u><u>3,514</u></u>	<u><u>18</u></u>	<u><u>47</u></u>	<u><u>-</u></u>	<u><u>3,599</u></u>
At 30 April 2024	<u><u>26</u></u>	<u><u>3,759</u></u>	<u><u>20</u></u>	<u><u>76</u></u>	<u><u>338</u></u>	<u><u>4,219</u></u>

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

13. Tangible fixed assets (continued)

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

	31 March 2025 £000	<i>30 April 2024 £000</i>
Plant and machinery	503	144
Assets under construction	-	242
	<u>503</u>	<u>386</u>

14. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost	
At 1 May 2024	1,210
At 31 March 2025	<u>1,210</u>

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Broomco (4266) Limited	Holding company	Ordinary	100%
Trac Group Limited*	Holding company	Ordinary	100%
Trac Precision Solutions Limited*	Design and manufacture of turbine components	Ordinary	100%
Trac Aero Services Limited*	Dormant	Ordinary	100%

* Denotes held indirectly.

The registered office address of all subsidiary undertakings is 9a Marshfield Bank Industrial Estate, Crewe, Cheshire CW2 8UY, with the exception of Trac Aero Services Limited which has a registered office address of 4th Floor, 24 Old Bond Street, London, W1S 4AW.

** As at 31 March 2025 Trac Aero Services Limited was in the process of being struck off. On 15 April 2025 this subsidiary was dissolved. The carrying value of this investment included above is £400.

15. Stocks

	Group 31 March 2025 £000	<i>Group 30 April 2024 £000</i>
Raw materials and consumable tools	1,547	<i>1,304</i>
Work in progress	5,156	<i>5,906</i>
Finished goods	137	<i>12</i>
	<u>6,840</u>	<i><u>7,222</u></i>

The carrying value of stocks are stated net of impairment losses totalling £1,556,000 (2024: £1,213,000).

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

16. Debtors

	Group 31 March 2025 £000	<i>Group 30 April 2024 £000</i>	Company 31 March 2025 £000	<i>Company 30 April 2024 £000</i>
Debtors: Amounts falling due after more than one year				
Amounts owed by group undertakings	-	-	8,000	-
	-	-	8,000	-

	Group 31 March 2025 £000	<i>Group 30 April 2024 £000</i>	Company 31 March 2025 £000	<i>Company 30 April 2024 £000</i>
Debtors: Amounts falling due within one year				
Trade debtors	3,370	<i>3,705</i>	-	-
Amounts owed by group undertakings	-	-	3,000	<i>5,000</i>
Other debtors	12	<i>118</i>	-	-
Prepayments and accrued income	258	<i>345</i>	-	-
	3,640	<i>4,168</i>	3,000	<i>5,000</i>

17. Cash and cash equivalents

	Group 31 March 2025 £000	<i>Group 30 April 2024 £000</i>	Company 31 March 2025 £000	<i>Company 30 April 2024 £000</i>
Cash at bank and in hand	1,246	<i>753</i>	-	<i>25</i>

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

18. Creditors: Amounts falling due within one year

	Group 31 March 2025 £000	<i>Group 30 April 2024 £000</i>	Company 31 March 2025 £000	<i>Company 30 April 2024 £000</i>
Other loans	-	950	-	950
Trade creditors	1,478	2,227	-	-
Amounts owed to group undertakings	-	-	4,587	5,530
Other taxation and social security	185	184	-	-
Obligations under finance lease and hire purchase contracts	86	56	-	-
Other creditors	725	901	-	-
Accruals and deferred income	1,258	1,366	9	42
	3,732	5,684	4,596	6,522

Included in other creditors is £725,000 (2024: £901,000) in respect of the Group's invoice financing facility. This facility is secured by a fixed and floating charge over the assets of the Group.

Other loans in the prior year included the principal amount of £1,000,000 which was repaid on 27 October 2024, net of the remaining £50,000 of unamortised loan arrangement fee which had been capitalised and was being released over the term of the loan. Other loans were secured by fixed and floating charges over the assets of the Group.

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

	Group 31 March 2025 £000	<i>Group 30 April 2024 £000</i>
Obligations under finance leases and hire purchase contracts	302	281
	302	281

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

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

20. Loans

Analysis of the maturity of loans is given below:

	Group 31 March 2025 £000	<i>Group 30 April 2024 £000</i>	Company 31 March 2025 £000	<i>Company 30 April 2024 £000</i>
Amounts falling due within one year				
Other loans	-	950	-	950
	<u>-</u>	<u>950</u>	<u>-</u>	<u>950</u>
	<u><u>-</u></u>	<u><u>950</u></u>	<u><u>-</u></u>	<u><u>950</u></u>

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 31 March 2025 £000	<i>Group 30 April 2024 £000</i>
Within one year	86	56
Between 1-5 years	302	281
	<u>388</u>	<u>337</u>
	<u><u>388</u></u>	<u><u>337</u></u>

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

22. Financial instruments

	Group 31 March 2025 £000	<i>Group 30 April 2024 £000</i>	Company 31 March 2025 £000	<i>Company 30 April 2024 £000</i>
Financial assets				
Financial assets measured at transaction price less impairment	3,370	3,705	11,000	5,000
Financial assets measured at fair value through profit and loss	1,246	753	-	25
	<u>4,616</u>	<u>4,458</u>	<u>11,000</u>	<u>5,025</u>
Financial liabilities				
Financial liabilities measured at transaction price	<u>(2,591)</u>	<u>(4,415)</u>	<u>(4,587)</u>	<u>(6,480)</u>

Financial assets measured at transaction price less impairment comprise of trade debtors and amounts due from group undertakings.

Financial assets that are measured at fair value through profit and loss include cash at bank and in hand.

Financial liabilities measured at transaction price comprise trade creditors, amounts owed to group undertakings, obligations under finance lease and hire purchase contracts, other creditors and other loans.

23. Share capital

	31 March 2025 £	<i>30 April 2024 £</i>
Authorised, allotted, called up and fully paid		
15,520 (2024 - 15,520) A Ordinary shares of £0.0001 each	1.55	1.55
480 (2024 - 480) A1 Ordinary shares of £0.0001 each	0.05	0.05
1,778 (2024 - 1,778) B Ordinary shares of £0.0001 each	0.18	0.18
	<u>1.78</u>	<u>1.78</u>

Rights, preferences and restrictions

A and A1 Ordinary Shares

These classes of shares have the rights to vote, participate in a return of capital and to receive dividends.

B Ordinary Shares

This class of shares has the right to participate in a return of capital but do not have the right to vote or to receive dividends.

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

24. Reserves

Share premium account

This reserve records all amounts paid for Ordinary shares in excess of their nominal value.

Profit and loss account

This reserve records all current and prior period retained profits and losses.

25. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £789,000 (2024: £806,000). Contributions totaling £73,000 (2024: £71,000) were payable to the fund at the balance sheet date and are included in accruals.

26. Contingent liabilities

The Company has given a guarantee, supported by a debenture, in relation to the amounts owed by Trac Precision Solutions Limited on its invoice financing facilities. The amount guaranteed at 31 March 2025 amounted to £725,000 (2024: £901,000).

The Group has given a guarantee in favour of HMRC totalling £369,000 (2024: £369,000) in relation to Customs Clearance Guarantees.

27. Commitments under operating leases

At 31 March 2025 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 31 March 2025 £000	<i>Group 30 April 2024 £000</i>
Not later than 1 year	393	393
Later than 1 year and not later than 5 years	708	1,068
	1,101	1,461

TRAC HOLDINGS LIMITED (FORMERLY RCAP ELEVEN LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025**

28. Related party transactions

The Company has taken advantage of the exemption, as permitted by section 33.1A of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", not to disclose related party transactions with wholly owned subsidiaries within the group.

During the period, the Group incurred company secretarial services from a company under common control totaling £2,000 (2024: £5,000). At the balance sheet date, the Group owed £nil (2024: £500) to this company.

During the period, the Group incurred management fees from a company under common control totaling £128,000 (2024: £242,000). At the balance sheet date, the Group owed £nil (2024: £24,000) to this company.

During the period, the Group incurred taxation compliance services from a company under common control totaling £8,000 (2024: £19,000). At the balance sheet date, the Group owed £nil (2024: £nil) to this company.

During the period, the Group purchased goods from a company under common control totalling £4,000 (2024: £nil). At the balance sheet date, the Group owed £nil (2024: £nil) to this company.

During the period the Group repaid a loan of £1,000,000 (2024: £nil) to a company under common control and at the balance sheet date, the Group owed £nil (2024: £1,000,000) to this company. This was a secured fixed term loan agreement which carried an interest rate of 10% per annum. The loan was secured by fixed and floating charges over the assets of the Group. During the period, the interest payable by the Group in respect of these loans totalled £99,000 (2024: £100,000).

29. Key management personnel

During the period amounts paid to the Group's key management personnel in relation to their services totalled £194,000 (2024: £204,000).

30. Post balance sheet events

On 15 April 2025 the Group's subsidiary, Trac Aero Services Limited, was dissolved.

31. Ultimate controlling party

The ultimate parent undertaking is PTC Industries Limited a company incorporated in India, with a registered office address of Nh-25A Sarai Sahjadi, Lucknow, Uttar Pradesh, India.

The largest group, in which the results of the Company and its subsidiaries are consolidated, is that headed by PTC Industries Limited, a company incorporated in India. The financial statements of PTC Industries Limited are available on the group's website.