
TRAC PRECISION SOLUTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRAC PRECISION SOLUTIONS LIMITED

Opinion

We have audited the financial statements of Trac Precision Solutions Limited (the 'Company') for the period ended 31 March 2025, which comprise the Statement of comprehensive income, the Balance sheet, the 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 Company's affairs as at 31 March 2025 and of its 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 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.

TRAC PRECISION SOLUTIONS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRAC PRECISION SOLUTIONS 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 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 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 5, 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.

TRAC PRECISION SOLUTIONS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRAC PRECISION SOLUTIONS LIMITED
(CONTINUED)**

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 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 Company 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 Company'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
- 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.

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.

TRAC PRECISION SOLUTIONS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRAC PRECISION SOLUTIONS LIMITED
(CONTINUED)**

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 PRECISION SOLUTIONS LIMITED

**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		(1,920)	(2,187)
Operating profit	5	1,315	1,910
Interest payable and similar expenses	9	(290)	(388)
Profit before tax		1,025	1,522
Tax on profit	10	-	-
Profit for the financial period / year		1,025	1,522

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

The notes on pages 15 to 30 form part of these financial statements.

TRAC PRECISION SOLUTIONS LIMITED
REGISTERED NUMBER: 04870503

BALANCE SHEET
AS AT 31 MARCH 2025

	Note	31 March 2025 £000	30 April 2024 £000
Fixed assets			
Tangible assets	12	3,599	4,219
Current assets			
Stocks	13	6,840	7,222
Debtors: amounts falling due within one year	14	8,310	9,438
Cash at bank and in hand	15	1,145	508
		<u>16,295</u>	<u>17,168</u>
Creditors: amounts falling due within one year	16	(6,643)	(9,182)
Net current assets		<u>9,652</u>	7,986
Total assets less current liabilities		<u>13,251</u>	<u>12,205</u>
Creditors: amounts falling due after more than one year	17	(8,302)	(281)
Net assets		<u><u>4,949</u></u>	<u><u>11,924</u></u>
Capital and reserves			
Called up share capital	19	-	1,020
Share premium account	20	-	103,816
Other reserves	20	-	539
Profit and loss account	20	4,949	(93,451)
		<u><u>4,949</u></u>	<u><u>11,924</u></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 15 to 30 form part of these financial statements.

TRAC PRECISION SOLUTIONS LIMITED

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

	Called up share capital £000	Share premium account £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 May 2023	1,020	118,816	539	(109,973)	10,402
Comprehensive income for the year					
Profit for the year	-	-	-	1,522	1,522
Capital reduction	-	(15,000)	-	15,000	-
At 1 May 2024	<u>1,020</u>	<u>103,816</u>	<u>539</u>	<u>(93,451)</u>	<u>11,924</u>
Comprehensive income for the period					
Profit for the period	-	-	-	1,025	1,025
Dividends	-	-	-	(8,000)	(8,000)
Capital reduction	(1,020)	(103,816)	(539)	105,375	-
At 31 March 2025	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,949</u>	<u>4,949</u>

The notes on pages 15 to 30 form part of these financial statements.

On 17 October 2024, a capital reduction was agreed by special resolution to reduce the Company's share capital by £1,020,000, by cancelling and extinguishing 1,020,000 Ordinary Shares of £1 each, share premium by the sum of £103,815,900 and other reserves by the sum of £538,945, with all amounts being credited to distributable reserves.

TRAC PRECISION SOLUTIONS LIMITED

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

1. General information

Trac Precision Solutions 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 management to exercise judgement in applying the Company's accounting policies (see note 3).

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 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Trac Holdings Limited (formerly Rcap Eleven Limited) as at 31 March 2025 and these financial statements may be obtained from the registered office address of 9A Marshfield Bank Business Park, Middlewich Road, Crewe, Cheshire, CW2 8UY.

TRAC PRECISION SOLUTIONS 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 statement, 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 Company will be operating on a going concern basis. Demand from existing customers remains strong and, coupled with new product introduction, the Directors envisage the Company 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 Balance sheet is reflecting a net current asset position.

Based on this assessment, the directors consider that the Company maintains an appropriate level of liquidity sufficient to meet the demands of the business, consequently the directors are confident that the Company 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

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 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

Payments (excluding costs for services and insurance) made under operating leases are recognised in the Statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives are recognised in the Statement of comprehensive income over the term of the lease as an integral part of the total lease expense.

TRAC PRECISION SOLUTIONS 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 Statement of comprehensive income in the year in which it is incurred.

2.9 Finance costs

Finance costs are charged to the 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 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 payable to the Company's pension scheme are charged to the Statement of comprehensive income in the period to which they relate.

2.11 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.12 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.

TRAC PRECISION SOLUTIONS LIMITED

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

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

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 Company 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 Company expects to consume an asset's future economic benefits.

2.13 Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through the 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. 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 Statement of comprehensive income. When subsequent events cause the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Statement of comprehensive income.

Non-financial assets

The carrying amounts of the Company'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 Statement of comprehensive income. An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

TRAC PRECISION SOLUTIONS LIMITED

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

2. Accounting policies (continued)

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.

2.14 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.

2.15 Debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If any arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

2.16 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.

2.17 Creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If any arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

2.18 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.

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.

TRAC PRECISION SOLUTIONS LIMITED

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

2. Accounting policies (continued)

2.18 Financial instruments (continued)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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 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.

The Directors consider that there are no other critical accounting judgements in applying the Company's accounting policies.

4. Turnover

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

Analysis of turnover by country of destination:

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

TRAC PRECISION SOLUTIONS LIMITED

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

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	342
Depreciation	800	776
(Profit)/loss on disposal of fixed assets	-	(4)
Foreign exchange (gains)/losses	48	62
Restructuring costs	207	183
	<u> </u>	<u> </u>

6. Auditors' remuneration

	Period ended 31 March 2025 £000	<i>Year ended 30 April 2024 £000</i>
Fees payable to the Company's auditors for the audit of the Company's financial statements	49	48
	<u> </u>	<u> </u>

7. Employees

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

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

TRAC PRECISION SOLUTIONS LIMITED

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

7. Employees (continued)

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
	162	163

8. Directors' remuneration

	Period ended 31 March 2025 £000	<i>Year ended 30 April 2024 £000</i>
Directors' emoluments	228	120
Company contributions to defined contribution pension schemes	15	15
	243	135

During the period retirement benefits were accruing to 2 directors (2024 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £137,000 (2024 - £69,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,000 (2024 - £5,000).

During the year, the Company also incurred directors fees totalling £31,000 (2024: £60,000).

TRAC PRECISION SOLUTIONS LIMITED

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

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
Invoice discounting	195	305
	290	388

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	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
	-	-

TRAC PRECISION SOLUTIONS LIMITED

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

10. Taxation (continued)

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	1,025	1,522
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024 - 25%)	256	381
Effects of:		
Expenses not deductible for tax purposes	109	20
Capital allowances for period/year in excess of depreciation	(308)	(441)
Short-term timing differences	-	8
Movement in tax losses carried forward	(57)	32
Total tax charge for the period/year	-	-

Factors that may affect future tax charges

The Company has estimated tax losses carried forward of £98,955,000 (2024: £99,182,000), which are expected to be offset against future taxable profits of the Company.

There is an estimated unrecognised deferred tax asset of £26,427,000 (2024: £26,785,000) which will be recognised when the directors foresee suitable taxable profits.

11. Dividends

	31 March 2025 £000	<i>30 April 2024 £000</i>
Ordinary dividend paid	8,000	-
	8,000	-

TRAC PRECISION SOLUTIONS LIMITED

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

12. Tangible fixed assets

	Leasehold improve- ments £000	Plant and machinery £000	Fixtures and fittings £000	Computer hardware £000	Computer software £000	Asset under construction £000	Total £000
Cost							
At 1 May 2024	709	20,486	1,678	247	688	338	24,146
Additions	-	-	-	-	-	180	180
Transfers between classes	-	512	-	6	-	(518)	-
At 31 March 2025	<u>709</u>	<u>20,998</u>	<u>1,678</u>	<u>253</u>	<u>688</u>	<u>-</u>	<u>24,326</u>
Depreciation							
At 1 May 2024	683	16,727	1,678	227	612	-	19,927
Charge for the period	6	757	-	8	29	-	800
At 31 March 2025	<u>689</u>	<u>17,484</u>	<u>1,678</u>	<u>235</u>	<u>641</u>	<u>-</u>	<u>20,727</u>
Net book value							
At 31 March 2025	<u>20</u>	<u>3,514</u>	<u>-</u>	<u>18</u>	<u>47</u>	<u>-</u>	<u>3,599</u>
At 30 April 2024	<u>26</u>	<u>3,759</u>	<u>-</u>	<u>20</u>	<u>76</u>	<u>338</u>	<u>4,219</u>

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

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

TRAC PRECISION SOLUTIONS LIMITED

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

13. Stocks

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

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

14. Debtors

	31 March 2025 £000	<i>30 April 2024 £000</i>
Trade debtors	3,370	3,705
Amounts owed by group undertakings	4,707	5,310
Other debtors	12	116
Prepayments and accrued income	221	307
	8,310	<i>9,438</i>
	8,310	<i>9,438</i>

15. Cash and cash equivalents

	31 March 2025 £000	<i>30 April 2024 £000</i>
Cash at bank and in hand	1,145	508
	1,145	<i>508</i>

TRAC PRECISION SOLUTIONS LIMITED

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

16. Creditors: Amounts falling due within one year

	31 March 2025 £000	<i>30 April 2024 £000</i>
Trade creditors	1,478	2,227
Amounts owed to group undertakings	3,000	5,000
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	1,169	814
	6,643	<i>9,182</i>

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

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

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

	31 March 2025 £000	<i>30 April 2024 £000</i>
Obligations under finance leases and hire purchase contracts	302	281
Amounts owed to group undertakings	8,000	-
	8,302	<i>281</i>

Amounts owed to group undertakings include an £8,000,000 (2024: £5,000,000 - included in creditors due within 1 year see note 16) secured term loan facility provided by the Company's parent, Trac Holdings Limited (formerly Rcap Eleven Limited). This facility is interest free and secured by a fixed and floating charge over the assets of the Company.

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

TRAC PRECISION SOLUTIONS LIMITED

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

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

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

19. Share capital

	31 March 2025 £000	<i>30 April 2024 £000</i>
Authorised, allotted, called up and fully paid		
100 (2024 - 1,020,100) Ordinary shares of £1.00 each	-	1,020
	-	1,020
	-	1,020

On 17 October 2024, a capital reduction was agreed by special resolution to reduce the Company's share capital, by cancelling and extinguishing 1,020,000 Ordinary Shares of £1 each, and crediting the amount of £1,020,000 to distributable reserves.

20. Reserves

Share premium account

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

Other reserves

Other reserves include a capital contribution given to the Company from its immediate parent undertaking.

Profit and loss account

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

21. Contingent liabilities

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

TRAC PRECISION SOLUTIONS LIMITED

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

22. 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. The pension cost charge represents contributions payable by the Company 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.

23. Commitments under operating leases

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

	31 March 2025 £000	<i>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
	1,101	1,461

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

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

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

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

The Company's parent, Trac Holdings Limited (formerly Rcap Eleven Limited) has provided the Company with an £8,000,000 (2024: £5,000,000) secured term loan facility. This facility is interest free and secured by a fixed and floating charge over the assets of the Company.

TRAC PRECISION SOLUTIONS LIMITED

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

25. Key management personnel

During the current period, key management personnel are considered to be the directors of the Company only and the remuneration paid to these individuals is disclosed in note 6. During the previous year, amounts paid to key management personnel totalled £84,000.

26. Ultimate controlling party

The immediate parent company is Trac Group Limited a company incorporated in England, United Kingdom with a registered address of 9a Marshfield Bank Industrial Estate, Crewe, Cheshire, CW2 8UY.

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 smallest group, in which the results of the Company are consolidated, is that headed by Trac Holdings Limited (formerly Rcap Eleven Limited), a company incorporated in England, United Kingdom. The financial statements of Trac Holdings Limited (formerly Rcap Eleven Limited) may be obtained from its registered office address, 9a Marshfield Bank Business Park, Middlewich Road, Crewe, Cheshire, CW2 8UY.

The largest group, in which the results of the Company are consolidated, is that headed by PTC Industries Limited, a company incorporated in India, with a registered office address of Nh-25A Sarai Sahjadi, Lucknow, Uttar Pradesh, India. The financial statements of PTC Industries Limited are available on the group's website.