

Company registration number 03113846 (England and Wales)

**MAS ZENGRANGE LTD**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2022**  
**PAGES FOR FILING WITH REGISTRAR**

# MAS ZENGRANGE LTD

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# MAS ZENGRANGE LTD

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 APRIL 2022**

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The directors present the strategic report for the year ended 30 April 2022.

### **Fair review of the business**

Turnover for the year ended 30 April 2022 amounted to £1.3m compared to £1.6m for the previous year and the operating profit for the year was £6,566 compared to £14,297 in previous year. Profit after taxation amounted to £5,396 compared to £5,312 in the prior year.

The Company's strategy over the last few years has been in laying the foundation for long-term sustainable growth through development of industry leading software and hardware for military applications.

### **Markets**

The Company's customers are primarily state defence authorities and companies in the military applications sector.

### **Future developments**

The directors aim to continue with the management policies which have resulted in the company's steady growth in recent years. They consider that 2022/2023 will show a further steady growth in sales.

While we remain cautious about the current economic climate, we hope to demonstrate the strength of our business model with the continued support of our employees and successful relationships with our suppliers and customers.

### **Principal risks and uncertainties**

#### **Business Risk**

The Company is reliant on defence spending and with the companies in the military applications sector being the primary customers, any reduction in budgets of those customers could have an impact on the Company's results.

#### **Currency Risk**

The nature of the Company's business exposes it to currency risk. The company buys in New Zealand dollars and manages the risk by allowing for the movements in currency in its mark up and margins.

As the supply line is generally short the risk attributed to currency fluctuation is therefore limited and well covered in the built in margins. Where the supply line is long the company would generally cover for the fluctuation in the currency in its contract and thus mitigate its exposure.

### **Key performance indicators**

The directors use both financial and non-financial performance indicators to monitor the company's position.

The key financial performance indicators of the company are sales £1.279m (2021: £1.627m), gross profit of £273k (2021: £300k), and balance sheet with net assets of £241k (2021: £236k).

The key non-financial performance indicators of the company are customer service and satisfaction, and stakeholder relationships. The directors are of the belief that the monitoring of the above-mentioned indicators is an effective aspect of business performance review.

On behalf of the board

Mr A Thakkar  
**Director**

21 February 2023

# MAS ZENGRANGE LTD

## BALANCE SHEET

AS AT 30 APRIL 2022

		2022		2021	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	5		1,871		2,164
Investments	6		1,000		1,000
			<u>2,871</u>		<u>3,164</u>
<b>Current assets</b>					
Stocks	8	13,546		117,053	
Debtors	9	6,568,791		8,202,564	
Cash at bank and in hand		496,294		39,918	
		<u>7,078,631</u>		<u>8,359,535</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(6,839,523)</u>		<u>(8,126,116)</u>	
<b>Net current assets</b>			<u>239,108</u>		<u>233,419</u>
<b>Net assets</b>			<u>241,979</u>		<u>236,583</u>
<b>Capital and reserves</b>					
Called up share capital	11		100		100
Profit and loss reserves			241,879		236,483
<b>Total equity</b>			<u>241,979</u>		<u>236,583</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 21 February 2023 and are signed on its behalf by:

Mr A Thakkar  
Director

Company Registration No. 03113846

## MAS ZENGRANGE LTD

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2022

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	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 May 2020	100	231,171	231,271
<b>Year ended 30 April 2021:</b>			
Profit and total comprehensive income for the year	-	5,312	5,312
	<hr/>	<hr/>	<hr/>
Balance at 30 April 2021	100	236,483	236,583
<b>Year ended 30 April 2022:</b>			
Profit and total comprehensive income for the year	-	5,396	5,396
	<hr/>	<hr/>	<hr/>
Balance at 30 April 2022	<u>100</u>	<u>241,879</u>	<u>241,979</u>

# MAS ZENGRANGE LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

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### 1 Accounting policies

#### Company information

MAS Zengrange Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Unit A3, Merlin Centre, Acrewood Way, St Albans, Herts, AL4 0JY.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover represents the amount (excluding value added tax) derived from the provision of goods and services to customers during the year. Revenue is recognised when the company becomes entitled to it - usually on the rendering of an invoice.

#### 1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	10% on reducing balance
Computer equipment	25% on straight line basis
Motor vehicles	25% on straight line basis

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

#### 1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# MAS ZENGRANGE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

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### 1 Accounting policies

(Continued)

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Stocks

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

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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

#### 1.9 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# MAS ZENGRANGE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

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

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

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

#### **1.11 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### **1.12 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# MAS ZENGRANGE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

### 1 Accounting policies

(Continued)

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.15 Foreign exchange

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

### 2 Judgements and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Selling and distribution	2	2

# MAS ZENGRANGE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

### 4 Taxation

	2022	2021
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	474	303
	<u>474</u>	<u>303</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Profit before taxation	5,870	5,615
	<u>5,870</u>	<u>5,615</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	1,115	1,067
Tax effect of expenses that are not deductible in determining taxable profit	-	65
Permanent capital allowances in excess of depreciation	(641)	(829)
	<u>474</u>	<u>303</u>
Taxation charge for the year	474	303
	<u>474</u>	<u>303</u>

### 5 Tangible fixed assets

	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 May 2021 and 30 April 2022	9,065	21,209	20,389	50,663
	<u>9,065</u>	<u>21,209</u>	<u>20,389</u>	<u>50,663</u>
<b>Depreciation and impairment</b>				
At 1 May 2021	7,110	21,000	20,389	48,499
Depreciation charged in the year	203	90	-	293
	<u>7,313</u>	<u>21,090</u>	<u>20,389</u>	<u>48,792</u>
At 30 April 2022	7,313	21,090	20,389	48,792
	<u>7,313</u>	<u>21,090</u>	<u>20,389</u>	<u>48,792</u>
<b>Carrying amount</b>				
At 30 April 2022	1,752	119	-	1,871
	<u>1,752</u>	<u>119</u>	<u>-</u>	<u>1,871</u>
At 30 April 2021	1,955	209	-	2,164
	<u>1,955</u>	<u>209</u>	<u>-</u>	<u>2,164</u>

### 6 Fixed asset investments

	Notes	2022	2021
		£	£
Investments in subsidiaries	7	1,000	1,000
		<u>1,000</u>	<u>1,000</u>

# MAS ZENGRANGE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

### 7 Subsidiaries

These financial statements are separate company financial statements for MAS Zengrange Ltd.

Details of the company's subsidiaries at 30 April 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
MAS Zengrange (NZ) Ltd	New Zealand	Ordinary	100.00

### 8 Stocks

	2022 £	2021 £
Raw materials and consumables	13,546	117,053

### 9 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	72,694	63,742
Amounts owed by group undertakings	4,449,320	6,136,526
Other debtors	2,046,777	2,001,995
Prepayments and accrued income	-	301
	<u>6,568,791</u>	<u>8,202,564</u>

Amounts due from group undertakings are interest free, unsecured and receivable on demand.

### 10 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	7,504	10,891
Amounts owed to group undertakings	3,756,308	3,093,745
Corporation tax	473	4,858
Other taxation and social security	9,046	4,548
Other creditors	3,042,610	4,990,517
Accruals and deferred income	23,582	21,557
	<u>6,839,523</u>	<u>8,126,116</u>

Amounts due to group undertakings are interest free, unsecured and repayable on demand.

# MAS ZENGRANGE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

### 11 Share capital

	2022	2021	2022	2021
Ordinary share capital Issued and fully paid	Number	Number	£	£
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

### 12 Audit report information

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

The auditor's report was unqualified.

Senior Statutory Auditor: Harsheel Dodhia  
Statutory Auditor: KLSA LLP

### 13 Financial commitments, guarantees and contingent liabilities

A cross-guarantee and debenture has been given by the group companies in respect of their bank indebtedness.

### 14 Related party transactions

The company has taken advantage of the exemption available in FRS 102 (s33 "Related Party Disclosure"), whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the group.

At the balance sheet date, the balance receivable from Hall & Watts Holdings Limited and Hall & Watts Australia Limited both being connected companies amounted to £1,918,672 (2021: £1,872,817), £21,695 (2021: £21,695) respectively. These balances are shown in note 13 under the category 'Other debtors'.

At the balance sheet date, the balance payable to Hall & Watts Limited and Hall & Watts Defence Optics Limited, both being connected companies amounted to £3,627 (2021: £3,627), £2,931,496 (2021: ££4,879,403) respectively. These balances are shown in note 14 under the category 'Other creditors'.

During the year, management fees paid to Hall & Watts Defence Optics Limited, a connected company amounted to £56,000 (2021: £1,190,000).

### 15 Ultimate controlling party

The ultimate parent company undertaking is MAS Holdings Limited, incorporated in England and Wales. The ultimate controlling parties are Mr Arvind Thakkar and Mr John Hoskins.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.