

Hitek Electronic Materials Limited

Filleted Financial Statements
for the Year Ended 30 June 2023

Hitek Electronic Materials Limited

Registration number: 1926845 Balance Sheet as at 30 June 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	<u>4</u>	1,055,545	738,384
Investments	<u>5</u>	5,000	5,000
		<u>1,060,545</u>	<u>743,384</u>
Current assets			
Stocks		1,129,285	886,061
Debtors	<u>6</u>	1,802,278	1,041,384
Cash at bank and in hand		685,188	1,007,790
		<u>3,616,751</u>	<u>2,935,235</u>
Creditors: Amounts falling due within one year	<u>7</u>	<u>(1,909,626)</u>	<u>(940,546)</u>
Net current assets		<u>1,707,125</u>	<u>1,994,689</u>
Total assets less current liabilities		<u>2,767,670</u>	<u>2,738,073</u>
Creditors: Amounts falling due after more than one year	<u>7</u>	<u>(32,775)</u>	<u>(37,795)</u>
Provisions for liabilities		<u>(84,479)</u>	<u>(45,177)</u>
Net assets		<u>2,650,416</u>	<u>2,655,101</u>
Capital and reserves			
Called up share capital	<u>8</u>	32,105	32,105
Share premium reserve		45,296	45,296
Capital redemption reserve		2	2
Retained earnings		<u>2,573,013</u>	<u>2,577,698</u>
Shareholders' funds		<u>2,650,416</u>	<u>2,655,101</u>

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

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. As permitted by section 444 (5A) of the Companies Act 2006, the directors have not delivered to the registrar a copy of the Profit and Loss Account.

Approved and authorised by the Board on 22 December 2023 and signed on its behalf by:

Mr J A Lawton
Director

Hitek Electronic Materials Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

15 Wentworth Road
South Park Industrial Estate
Scunthorpe
North Lincolnshire
DN17 2AX
Registration number: 1926845.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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

Basis of preparation

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

Group accounts not prepared

The company has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements on the grounds that it is a small sized group.

Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 22 December 2023 was Robert Smith BSc FCA, who signed for and on behalf of RNS Chartered Accountants.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts. The company recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

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Notes to the Financial Statements for the Year Ended 30 June 2023

Tax

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

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

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

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

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

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Expenditure on leasehold property	straight line on cost over 20 years
Motor vehicles	straight line on cost over 4 years
Plant and machinery	straight line on cost over 5 years
Freehold land and buildings	No depreciation is provided as residual value is equivalent to cost and so any depreciation is immaterial

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Cash and cash equivalents

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

Trade debtors

Trade debtors are amounts due from customers for goods sold in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured less a provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

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Notes to the Financial Statements for the Year Ended 30 June 2023

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised at the transaction price.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

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

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

Share capital

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

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Notes to the Financial Statements for the Year Ended 30 June 2023

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

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

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

3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 38 (2022 - 35).

4 Tangible assets

	Land and buildings £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation				
At 1 July 2022	527,629	315,686	393,137	1,236,452
Additions	293,364	113,046	64,450	470,860
Disposals	-	(65,654)	-	(65,654)
At 30 June 2023	820,993	363,078	457,587	1,641,658
Depreciation				
At 1 July 2022	70,929	119,514	307,625	498,068
Charge for the year	20,713	80,801	33,467	134,981
Eliminated on disposal	-	(46,936)	-	(46,936)
At 30 June 2023	91,642	153,379	341,092	586,113
Carrying amount				
At 30 June 2023	729,351	209,699	116,495	1,055,545
At 30 June 2022	456,700	196,172	85,512	738,384

Included within the net book value of land and buildings above is £729,351 (2022 - £456,700) in respect of freehold land and buildings.

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Notes to the Financial Statements for the Year Ended 30 June 2023

5 Investments

	2023 £	2022 £
Investments in subsidiaries	5,000	5,000
Subsidiaries		£
Cost or valuation		
At 1 July 2022		5,000
At 30 June 2023		5,000
Carrying amount		
At 30 June 2023		5,000
At 30 June 2022		5,000

6 Debtors

	2023 £	2022 £
Current		
Trade debtors	1,554,551	961,081
Amounts owed by related parties	126,646	80,000
Other debtors	121,081	303
	1,802,278	1,041,384

7 Creditors

	Note	2023 £	2022 £
Due within one year			
Loans and borrowings	<u>9</u>	5,020	5,020
Trade payables		609,473	450,323
Amounts due to related parties	<u>10</u>	631,991	100,391
Social security and other taxes		282,323	240,158
Other payables		380,819	144,654
		1,909,626	940,546

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Notes to the Financial Statements for the Year Ended 30 June 2023

8 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	32,105	32,105	32,105	32,105

9 Loans and borrowings

	2023	2022
	£	£
Current loans and borrowings		
Hire purchase contracts	5,020	5,020

	2023	2022
	£	£
Non-current loans and borrowings		
Hire purchase contracts	32,775	37,795

Secured liabilities

HP & finance liabilities are secured against the assets to which they relate.

10 Related party transactions

Directors' benefits: advances, credit and guarantees

During the year a director received an additional loan of £80,000 (2022 - £nil). The amount owed by the director at the start of the year was £nil (2022 - £nil) and the amount outstanding at the year end was £80,000 (2022 - £nil). Interest is not being charged on the loan and it is repayable on demand.

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.