

**HELITUNE LIMITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021

|   | Note | 2021<br>£               | 2020<br>£               |
|---|------|-------------------------|-------------------------|
| <b>Fixed assets</b>                                     |      |                         |                         |
| Intangible assets                                       | 5    | -                       | -                       |
| Tangible assets   | 6    | 120,210                 | 135,770                 |
|   |      | <u>120,210</u>          | <u>135,770</u>          |
| <b>Current assets</b>                                   |      |                         |                         |
| Stocks  | 7    | 2,305,999               | 2,461,602               |
| Debtors: amounts falling due after more than one year   | 8    | 210,000                 | -                       |
| Debtors: amounts falling due within one year            | 8    | 4,079,069               | 3,385,228               |
| Cash at bank and in hand                                | 9    | 17,455                  | 16,624                  |
|   |      | <u>6,612,523</u>        | <u>5,863,454</u>        |
| Creditors: amounts falling due within one year          | 10   | (3,106,794)             | (2,929,026)             |
| <b>Net current assets</b>                               |      | <u>3,505,729</u>        | <u>2,934,428</u>        |
| <b>Total assets less current liabilities</b>            |      | <u>3,625,939</u>        | <u>3,070,198</u>        |
| Creditors: amounts falling due after more than one year | 11   | (1,358,920)             | (1,015,108)             |
| <b>Provisions for liabilities</b>                       |      |                         |                         |
| Deferred tax  | 13   | (16,920)                | (22,531)                |
| <b>Net assets</b>                                       |      | <u><u>2,250,099</u></u> | <u><u>2,032,559</u></u> |
| <b>Capital and reserves</b>                             |      |                         |                         |
| Called up share capital                                 | 14   | 2                       | 2                       |
| Profit and loss account                                 |      | 2,250,097               | 2,032,557               |
|   |      | <u><u>2,250,099</u></u> | <u><u>2,032,559</u></u> |

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

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The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

**R J Allen ACMA**  
Director

Date: 15 June 2022

The notes on pages 3 to 14 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. GENERAL INFORMATION**

Helitune Limited, registered number 03979088, is a private company, limited by shares and incorporated in England and Wales. The registered office is Hatchmoor Industrial Estate, Great Torrington, North Devon, EX38 7HP.

The Company's principal activities and nature of its operations are disclosed in the Directors' Report.

**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 Section 1A of 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 judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 GOING CONCERN**

The Company relies on its existing bank facilities to meet its day-to-day working capital requirements. Current financial forecasts indicate that the Company expects to be able to comfortably operate within these facilities for the whole of the foreseeable future. The directors are not aware of any circumstances that may adversely affect the renewal of these facilities.

The directors have also concluded that there are no material uncertainties related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern.

The directors have reviewed the Company's current stock holdings, working environment and future trading ability, and as a result, have concluded that the Company's financial position and trading outlook means the financial statements can be prepared on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (continued)**

**2.3 REVENUE**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 INTANGIBLE ASSETS**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

|                         |   |  |
|-------------------------|---|--|
| Development expenditure | - | Case-by-case basis reflecting the period of benefits |
|-------------------------|---|--|

**2.5 TANGIBLE FIXED ASSETS**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (continued)**

**2.5 TANGIBLE FIXED ASSETS (CONTINUED)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

|                     |   |                       |
|---------------------|---|-----------------------|
| Plant and machinery | - | 15%-20% straight line |
| Motor vehicles      | - | 25% straight line     |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.6 DEVELOPMENT COSTS**

Research costs are written off as incurred. Development costs are capitalised within intangible assets, where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project, which the directors review on a project-by-project basis to a maximum of five years.

Deferred development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related development is written off to the Statement of Income and Retained Earnings.

Where the conditions of Section 18 of FRS 102 are not satisfied, expenditure on development is written off as incurred.

**2.7 STOCKS**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is 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.

**2.8 DEBTORS**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.9 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (continued)**

**2.10 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 third parties and loans to and from related parties.

**2.11 CREDITORS**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.12 GOVERNMENT GRANTS**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

**2.13 FOREIGN CURRENCY TRANSLATION**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**2.14 FINANCE COSTS**

Finance costs are charged to profit or loss 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.

**2.15 PENSIONS**

**DEFINED CONTRIBUTION PENSION PLAN**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (continued)**

**2.16 INTEREST INCOME**

Interest income is recognised in profit or loss using the effective interest method.

**2.17 CURRENT AND DEFERRED TAXATION**

The tax expense for the year comprises current and deferred tax. 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 reporting 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 reporting 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 except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.18 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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3.

**JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

**Amortisation and impairment of development costs**

The Company's products are subject to changing market demand. It is therefore necessary to consider on a periodic basis the rate of amortisation applied to capitalised development costs and any impairment that might have arisen. Management assesses impairments by considering the saleability of the related products in the light of technological developments and projected future market conditions.

**Useful economic lives of tangible assets**

The annual depreciation charge is sensitive to any changes in the estimated useful life and residual values of tangible assets. The useful economic lives and residual value is assessed on an annual basis and are amended only when evidence shows a change in the estimated economic lives or residual life. Criteria used to assess the economic life and residual value includes technological advancement, economic utilisation, physical condition of the asset and future investments.

**Impairment of stocks**

The Company's products are subject to changing market demand. It is therefore necessary to consider on a periodic basis the recoverability of the cost of stocks and the associated impairment. Management calculates impairments by considering the nature and condition of the stocks and applies assumptions around anticipated saleability of finished goods and future usage of raw materials, overheads and labour.

**Impairment of debtors**

On a periodic basis management makes an estimation of the recoverability of debtors. Management makes such estimations based on the credit rating of debtors, the ageing profile, and historical experience.

4. **EMPLOYEES**

The average monthly number of employees, including directors, during the year was 33 (2020: 34).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

5. INTANGIBLE ASSETS

|                       | Development<br>expenditure<br>£ |
|-----------------------|---------------------------------|
| <b>COST</b>           |                                 |
| At 1 January 2021     | 2,904,114                       |
|                       | <hr/>                           |
| At 31 December 2021   | 2,904,114                       |
|                       | <hr/>                           |
| <b>AMORTISATION</b>   |                                 |
| At 1 January 2021     | 2,904,114                       |
|                       | <hr/>                           |
| At 31 December 2021   | 2,904,114                       |
|                       | <hr/>                           |
| <b>NET BOOK VALUE</b> |                                 |
| At 31 December 2021   | -                               |
|                       | <hr/>                           |
| At 31 December 2020   | -                               |
|                       | <hr/>                           |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

6. TANGIBLE FIXED ASSETS

|                                     | Plant and<br>machinery<br>£ | Motor vehicles<br>£ | Total<br>£ |
|-------------------------------------|-----------------------------|---------------------|------------|
| <b>COST</b>                         |                             |                     |            |
| At 1 January 2021                   | 364,083                     | 28,234              | 392,317    |
| Additions                           | 23,248                      | -                   | 23,248     |
| At 31 December 2021                 | 387,331                     | 28,234              | 415,565    |
| <b>DEPRECIATION</b>                 |                             |                     |            |
| At 1 January 2021                   | 228,313                     | 28,234              | 256,547    |
| Charge for the year on owned assets | 38,808                      | -                   | 38,808     |
| At 31 December 2021                 | 267,121                     | 28,234              | 295,355    |
| <b>NET BOOK VALUE</b>               |                             |                     |            |
| At 31 December 2021                 | 120,210                     | -                   | 120,210    |
| At 31 December 2020                 | 135,770                     | -                   | 135,770    |

7. STOCKS

|                                     | 2021<br>£ | 2020<br>£ |
|-------------------------------------|-----------|-----------|
| Raw materials and consumables       | 1,047,873 | 1,211,922 |
| Work in progress                    | 260,131   | 847,342   |
| Finished goods and goods for resale | 997,995   | 402,338   |
|                                     | 2,305,999 | 2,461,602 |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**8. DEBTORS**

|                                     | 2021<br>£        | 2020<br>£        |
|-------------------------------------|------------------|------------------|
| <b>DUE AFTER MORE THAN ONE YEAR</b> |                  |                  |
| Director Loan accounts              | <u>210,000</u>   | <u>-</u>         |
|                                     | 2021<br>£        | 2020<br>£        |
| <b>DUE WITHIN ONE YEAR</b>          |                  |                  |
| Trade debtors                       | 988,840          | 549,044          |
| Amounts owed by group undertakings  | 2,887,221        | 2,479,075        |
| Other debtors                       | 129,020          | 282,283          |
| Prepayments and accrued income      | 73,988           | 74,826           |
|                                     | <u>4,079,069</u> | <u>3,385,228</u> |

**9. CASH AND CASH EQUIVALENTS**

|                          | 2021<br>£        | 2020<br>£        |
|--------------------------|------------------|------------------|
| Cash at bank and in hand | 17,455           | 16,624           |
| Less: bank overdrafts    | (648,380)        | (604,241)        |
|                          | <u>(630,925)</u> | <u>(587,617)</u> |

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | 2021<br>£        | 2020<br>£        |
|------------------------------------|------------------|------------------|
| Bank overdrafts                    | 648,380          | 604,241          |
| Bank loans                         | 159,600          | 159,600          |
| Trade creditors                    | 223,890          | 406,107          |
| Amounts owed to group undertakings | 1,758,366        | 1,604,877        |
| Other taxation and social security | 51,365           | 80,223           |
| Other creditors                    | 84,780           | 10,789           |
| Accruals and deferred income       | 180,413          | 63,189           |
|                                    | <u>3,106,794</u> | <u>2,929,026</u> |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                              | 2021<br>£        | 2020<br>£        |
|------------------------------|------------------|------------------|
| Bank loans                   | 1,358,920        | 1,000,500        |
| Accruals and deferred income | -                | 14,608           |
|                              | <u>1,358,920</u> | <u>1,015,108</u> |

**12. LOANS**

Analysis of the maturity of loans is given below:

|  | 2021<br>£        | As restated<br>2020<br>£ |
|--|------------------|--------------------------|
| <b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b> |                  |                          |
| Bank loans                                 | 159,600          | 159,600                  |
| <b>AMOUNTS FALLING DUE 1-2 YEARS</b>       |                  |                          |
| Bank loans                                 | 179,700          | 159,600                  |
| <b>AMOUNTS FALLING DUE 2-5 YEARS</b>       |                  |                          |
| Bank loans                                 | 1,179,220        | 840,900                  |
|  | <u>1,518,520</u> | <u>1,160,100</u>         |

The overdraft facility and term loans are secured by a debenture over the assets (whether present or future) of Condition Monitoring Technology Group Limited, Beran Instruments Limited, Helitune Limited, Prosig Limited and DJB Instruments (UK) Limited by specific legal charges over the freehold properties of Beran Instruments Limited, by a cross-guarantee between Condition Monitoring Technology Group Limited, Beran Instruments Limited, Helitune Limited, Prosig Limited and DJB Instruments (UK) Limited, and by a keyman life insurance policy in respect of R Allen and D Graham.

Bank loans comprise amounts not yet repaid on a term loan of £1,200,000 and £500,000 (2020: £1,200,000).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**13. DEFERRED TAXATION**

|                           | 2021<br>£              |
|---------------------------|------------------------|
| At beginning of year      | (22,531)               |
| Charged to profit or loss | 5,611                  |
| <b>AT END OF YEAR</b>     | <b><u>(16,920)</u></b> |

The provision for deferred taxation is made up as follows:

|                                | 2021<br>£              | 2020<br>£              |
|--------------------------------|------------------------|------------------------|
| Accelerated capital allowances | (26,982)               | (22,531)               |
| Tax losses carried forward     | 9,175                  | -                      |
| Short term timing differences  | 887                    | -                      |
|                                | <b><u>(16,920)</u></b> | <b><u>(22,531)</u></b> |

**14. SHARE CAPITAL**

|   | 2021<br>£       | 2020<br>£       |
|---|-----------------|-----------------|
| <b>ALLOTTED, CALLED UP AND FULLY PAID</b> |                 |                 |
| 2 (2020: 2) Ordinary shares of £1.00 each | <b><u>2</u></b> | <b><u>2</u></b> |

**15. CONTINGENT LIABILITIES**

The Company is party to a cross-guarantee in favour of Santander UK Plc in respect of all amounts owed by Condition Monitoring Technology Group Limited, Beran Instruments Limited, Helitune Limited, Prosig Limited and DJB Instruments (UK) Limited. At the year end, the total amounts outstanding comprised overdrafts of £727,066 (2020: £899,489) and term loans of £1,852,020 (2020: £1,546,800).

The Company is party to a group VAT registration covering Condition Monitoring Technology Group Limited, Beran Instruments Limited and Helitune Limited, and is therefore jointly and severally liable for any amounts due. At the year end, the total amount owed by HMRC was £24,673 (2020: £46,922).

**16. PENSION COMMITMENTS**

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. During the year £82,491 (2020: £59,969) was charged to the Statement of Income and Retained Earnings in respect of the scheme. Contributions of £7,235 (2020: £5,871) remained outstanding at the Statement of Financial Position date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**17. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption under Section 33 of FRS 102 and has not reported details of transactions or balances with other wholly-owned group companies.

**Transactions with directors and their relatives**

During the year, the company established a loan account with a director. At the year end, the director owed the Group £ 210,000. The loan bears interest at an annual rate of 2.86%. The total interest charged on this loan during the year was £2,007.

**18. CONTROLLING PARTY**

The immediate and ultimate parent company is Condition Monitoring Technology Group Limited, a company incorporated in the United Kingdom and registered in England and Wales. Condition Monitoring Technology Group Limited heads the largest and smallest group in which the results of the Company are consolidated. The consolidated financial statements of Condition Monitoring Technology Group Limited can be obtained from the company's registered office, Hatchmoor Industrial Estate, Great Torrington, North Devon, EX38 7HP.

**19. AUDITORS' INFORMATION**

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 20 June 2022 by Fleur Lewis FCA (Senior statutory auditor) on behalf of Bishop Fleming LLP.

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.