

PHOENIX ENGINEERING COMPANY LIMITED
Unaudited Financial Statements
For the financial year ended 30 September 2023
Pages for filing with the registrar

PHOENIX ENGINEERING COMPANY LIMITED
UNAUDITED FINANCIAL STATEMENTS
For the financial year ended 30 September 2023

Contents

Balance Sheet	3
Notes to the Financial Statements	4

PHOENIX ENGINEERING COMPANY LIMITED
BALANCE SHEET
As at 30 September 2023

	Note	2023	2022
		£	£
Fixed assets			
Tangible assets	3	8,753	13,183
		8,753	13,183
Current assets			
Stocks	4	1,746,376	1,362,209
Debtors	5	937,905	1,082,223
Cash at bank and in hand		6,969,329	5,717,821
		9,653,610	8,162,253
Creditors: amounts falling due within one year	6	(808,914)	(522,871)
Net current assets		8,844,696	7,639,382
Total assets less current liabilities		8,853,449	7,652,565
Net assets		8,853,449	7,652,565
Capital and reserves			
Called-up share capital		9,452	9,452
Capital redemption reserve		548	548
Profit and loss account		8,843,449	7,642,565
Total shareholder's funds		8,853,449	7,652,565

For the financial year ending 30 September 2023 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The member has not required the Company to obtain an audit of its financial statements for the financial year in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Profit and Loss Account has not been delivered.

The financial statements of Phoenix Engineering Company Limited (registered number: 00086564) were approved and authorised for issue by the Director on 11 December 2023. They were signed on its behalf by:

Mr T J Jennings
Director

PHOENIX ENGINEERING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 September 2023

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

Phoenix Engineering Company Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is Phoenix House, Combe Street, Chard, TA20 1JE, United Kingdom.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the Company and rounded to the nearest £.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in the Profit and Loss Account in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in the Statement of Comprehensive Income.

Turnover

Turnover is recognised at the invoiced value of sales to customers, exclusive of VAT.

Turnover is recognised when machines or parts are delivered to the customer.

Employee benefits

Defined benefit schemes

For defined benefit schemes the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to the Profit and Loss Account and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the Statement of Comprehensive Income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. Actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date.

Taxation

Current tax

Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date. Tax is recognised in the profit and loss account, 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.

PHOENIX ENGINEERING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 September 2023

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Plant and machinery	3 - 7 years straight line
Vehicles	2 - 4 years straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

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.

Leases

The Company as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the Profit and Loss Account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Profit and Loss Account as described below.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

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.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts, except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

PHOENIX ENGINEERING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 September 2023

Cash and cash equivalents

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 creditors: amounts falling due within one year.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost. 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.

Ordinary share capital

The ordinary share capital of the Company is presented as equity.

2. Employees

	2023	2022
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	37	41

3. Tangible assets

	Plant and machinery	Vehicles	Total
	£	£	£
Cost			
At 01 October 2022	544,897	103,191	648,088
Disposals	0	(15,550)	(15,550)
At 30 September 2023	544,897	87,641	632,538
Accumulated depreciation			
At 01 October 2022	541,889	93,016	634,905
Charge for the financial year	2,355	2,000	4,355
Disposals	0	(15,475)	(15,475)
At 30 September 2023	544,244	79,541	623,785
Net book value			
At 30 September 2023	653	8,100	8,753
At 30 September 2022	3,008	10,175	13,183

PHOENIX ENGINEERING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 September 2023

4. Stocks

	2023	2022
	£	£
Raw materials	1,226,726	1,071,209
Work in progress	376,000	291,000
Finished goods	143,650	0
	1,746,376	1,362,209

5. Debtors

	2023	2022
	£	£
Trade debtors	880,761	1,034,191
Other debtors	57,144	48,032
	937,905	1,082,223

6. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	419,016	344,267
Taxation and social security	355,727	148,360
Other creditors	34,171	30,244
	808,914	522,871

PHOENIX ENGINEERING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 September 2023

7. Financial commitments

Pensions

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company by the scheme's trustees and by independent investment managers. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The date of the most recent comprehensive actuarial valuation was 31 August 2020. This valuation has not been updated to reflect conditions at the balance sheet date. The most recent actuarial valuation showed that the market value of the scheme's assets was £5,102,000 and that the actuarial value of those assets represented 103% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contributions of the employees recommended by the actuarial valuation are 6% of earnings. The defined benefit scheme is now closed to new members so under the projected unit method the current service cost would be expected to increase over time as members of the scheme approach retirement.

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was £129,248 (2022 - £116,792).

The directors consider that the principal actuarial assumptions have not changed significantly, and the scheme is still likely to be in surplus. As such, they do not consider that the financial statements need to provide for any liability in relation to the scheme.

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

The amounts recognised in the statement of financial positions are as follows:

	2023	2022
	£	£
Fair value of scheme assets	5,102,000	5,102,000
Present value of defined benefit obligation	(4,966,000)	(4,966,000)
Other amounts not recognised in the statement of financial position	(136,000)	(136,000)
	0	0

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.