

PEN CUTTING TOOLS LIMITED
UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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UNAUDITED ACCOUNTS
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PEN CUTTING TOOLS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019

Directors

Simon Ling
Peter Raybould
John Whitfield

Company Number

00941929 (England and Wales)

Registered Office

Bold Street
Attercliffe
Sheffield
South Yorkshire
S9 2LR
United Kingdom

PEN CUTTING TOOLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	4	236,681	356,934
Current assets			
Inventories	5	165,100	183,600
Debtors	6	290,220	369,154
Cash at bank and in hand		58,570	264
		<u>513,890</u>	<u>553,018</u>
Creditors: amounts falling due within one year	7	(326,618)	(381,968)
Net current assets		<u>187,272</u>	<u>171,050</u>
Total assets less current liabilities		423,953	527,984
Creditors: amounts falling due after more than one year	8	(170,993)	(117,483)
Provisions for liabilities			
Deferred tax		(44,969)	(62,682)
Net assets		<u>207,991</u>	<u>347,819</u>
Capital and reserves			
Called up share capital		3,300	3,300
Capital redemption reserve		8,700	8,700
Profit and loss account		195,991	335,819
Shareholders' funds		<u>207,991</u>	<u>347,819</u>

For the year ending 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered 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 profit and loss account has not been delivered to the Registrar of Companies.

The financial statements were approved by the Board of Directors and authorised for issue on 17 October 2020 and were signed on its behalf by

Simon Ling
Director

Company Registration No. 00941929

PEN CUTTING TOOLS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1 Statutory information

Pen Cutting Tools Limited is a private company, limited by shares, registered in England and Wales, registration number 00941929. The registered office is Bold Street, Attercliffe, Sheffield, South Yorkshire, S9 2LR, United Kingdom.

2 Compliance with accounting standards

The accounts have been prepared in accordance with the provisions of FRS 102 Section 1A Small Entities. There were no material departures from that standard.

3 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of preparation

The accounts have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets.

Presentation currency

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

Tangible fixed assets and depreciation

Tangible assets are included at cost less depreciation and impairment. Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives:

Land & buildings	4% straight line
Plant & machinery	15% straight line

Impairment of fixed assets

At the end of each reporting period, the company reviews the carrying amount of its tangible fixed assets for any indication of impairment. If any indication exists, the relevant asset is reduced to its recoverable amount (being the higher of fair value less sale costs, and value in use).

Impairment losses are recognised immediately in the Statement of Income and Retained Earnings, unless the asset has been revalued, in which case the revaluation reserve is eliminated first.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover from the sale of goods is recognised when goods have been delivered to customers such that risks and rewards of ownership have transferred to them.

Inventories

Inventories have been valued at the lower of cost and estimated selling price less costs to complete and sell.

In respect of work in progress and finished goods, cost includes a relevant proportion of overheads according to the stage of manufacturing/completion.

Pension costs

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are recognised in the statement of income and retained earnings when due.

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Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Deferred tax assets and liabilities are not discounted.

Foreign exchange

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Leased assets

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

Rentals applicable to operating leases are charged against profit on a straight line basis over the lease term.

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. They are recognised at the lower of the asset's fair value at the date of inception, and the present value of the minimum lease payments. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. The interest element of rental obligations is charged to the statement of income and retained earnings over the period of the lease at a constant proportion of the outstanding balance of capital repayments.

Employee benefits

The costs of short-term employee benefits, and termination benefits, are recognised as an expense at the point when the company is demonstrably committed to terminate the employment of an employee, or to provide termination benefits.

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

Financial instruments

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss.

Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss. A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

PEN CUTTING TOOLS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

4 Tangible fixed assets	Land & buildings	Plant & machinery	Total
	£	£	£
Cost or valuation	At cost	At cost	
At 1 January 2019	263,980	2,357,985	2,621,965
Additions	-	2,338	2,338
Disposals	(263,980)	-	(263,980)
At 31 December 2019	-	2,360,323	2,360,323
Depreciation			
At 1 January 2019	236,954	2,028,077	2,265,031
Charge for the year	10,548	95,565	106,113
On disposals	(247,502)	-	(247,502)
At 31 December 2019	-	2,123,642	2,123,642
Net book value			
At 31 December 2019	-	236,681	236,681
At 31 December 2018	27,026	329,908	356,934

5 Inventories	2019	2018
	£	£
Raw materials	165,100	183,600
	165,100	183,600

6 Debtors	2019	2018
	£	£
Trade debtors	287,745	369,154
Other debtors	2,475	-
	290,220	369,154

7 Creditors: amounts falling due within one year	2019	2018
	£	£
Bank loans and overdrafts	98,607	51,894
Trade creditors	61,350	80,251
Amounts owed to group undertakings and other participating interests	68	-
Taxes and social security	108,625	130,256
Other creditors	57,968	119,567
	326,618	381,968

Within 'Bank loans and overdrafts' is an amount of £23,607 secured against the company's trade debtors, and an amount of £75,000 secured against the assets of the company.

The amount of £57,968 shown as 'Other creditors' represents finance leases which are secured against the assets to which they relate.

PEN CUTTING TOOLS LIMITED
NOTES TO THE ACCOUNTS
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8 Creditors: amounts falling due after more than one year	2019	2018
	£	£
Bank loans	106,250	-
Other creditors	64,743	117,483
	<u>170,993</u>	<u>117,483</u>

Within 'Bank loans' is an amount of £106,250 secured against the assets of the company.

The amount of £64,743 shown as 'Other creditors' represents finance leases which are secured against the assets to which they relate.

9 Operating lease commitments	2019	2018
	£	£
At 31 December 2019 the company has total minimum future payment commitments under non-cancellable operating leases as follows:		
Operating leases expiring:		
Within two to five years	7,966	-

10 Transactions with related parties

No dividends were paid to the company's directors during the year (2018 £81,000).

Dividends totaling £254,137 (2018: £250,000) were paid in the year in respect of shares held by Pen Cutting Holdings Limited, the parent company.

At 31 December 2019, the company had entered into a composite cross guarantee (together with its ultimate parent company) to secure the financing of its working capital. At the balance sheet date, the potential liability in respect of this guarantee amounted to £23,607 (2018: £Nil).

11 Controlling party

The ultimate controlling party of the company is Threesixty Holdco 2 Limited, whose principal place of business and registered office address is: 406 Duffield Road, Darley Abbey, Derby, DE22 1ES.

12 Average number of employees

During the year the average number of employees was 21 (2018: 23).

