

Company Registration No. 02929703 (England and Wales)

**A & G Precision And Sons
Limited**

**Annual Report and
Unaudited Financial
Statements**

**For the Year Ended
31 May 2017**

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Montpelier
Chartered Accountants

A & G PRECISION AND SONS LIMITED

COMPANY INFORMATION

Directors	Mrs J Pinder Mr A Pinder
Secretary	Mrs J Pinder
Company number	02929703
Registered office	Charter House Pittman Way Fulwood Preston Lancashire PR2 9ZD
Accountants	Montpelier Professional (Lancs) Limited Charter House Pittman Way Fulwood Preston Lancashire PR2 9ZD
Bankers	National Westminster Bank Plc (Preston) PO Box No 54 35 Fishergate Preston Lancashire PR1 2BY

A & G PRECISION AND SONS LIMITED

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A & G PRECISION AND SONS LIMITED

BALANCE SHEET

AS AT 31 MAY 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3		2,336,753		1,541,864
Current assets					
Stocks		119,150		110,250	
Debtors	4	588,583		663,124	
Cash at bank and in hand		912,220		828,168	
		1,619,953		1,601,542	
Creditors: amounts falling due within one year	5	(845,462)		(776,325)	
Net current assets			774,491		825,217
Total assets less current liabilities			3,111,244		2,367,081
Creditors: amounts falling due after more than one year	6		(895,511)		(344,792)
Provisions for liabilities			(215,453)		(220,959)
Net assets			2,000,280		1,801,330
Capital and reserves					
Called up share capital	8		100		100
Profit and loss reserves			2,000,180		1,801,230
Total equity			2,000,280		1,801,330

A & G PRECISION AND SONS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2017

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

For the financial year ended 31 May 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 22/2/2018 and are signed on its behalf by:



.....
Mr A Pinder
Director

Company Registration No. 02929703

A & G PRECISION AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

Company information

A & G Precision and Sons Limited is a private company limited by shares incorporated in England and Wales. The registered office is Charter House, Pittman Way, Fulwood, Preston, Lancashire, PR2 9ZD.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 May 2017 are the first financial statements of A & G Precision and Sons Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 June 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 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:

Freehold land and buildings	2% Straight Line
Property improvements	20% Straight Line
Plant and machinery	10% and 25% Reducing Balance
Fixtures & fittings	15% & 25% Reducing Balance

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.

Freehold land is not depreciated.

A & G PRECISION AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

1 Accounting policies

(Continued)

1.4 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.

1.5 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.

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.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include deposits held at call with banks.

1.7 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.

A & G PRECISION AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

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 are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, 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.

1.8 Equity instruments

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

1.9 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.

A & G PRECISION AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

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.

1.10 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.

1.11 Leases

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.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 60 (2016 - 60).

A & G PRECISION AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

3 Tangible fixed assets

	Freehold land and buildings £	Property improvements £	Plant and machinery £	Fixtures & fittings £	Total £
Cost					
At 1 June 2016	-	580,043	2,583,149	180,042	3,343,234
Additions	817,537	14,504	181,381	27,001	1,040,423
Transfers	594,547	(594,547)	-	-	-
At 31 May 2017	1,412,084	-	2,764,530	207,043	4,383,657
Depreciation and impairment					
At 1 June 2016	-	368,718	1,308,755	123,897	1,801,370
Depreciation charged in the year	11,789	-	219,209	14,536	245,534
Transfers	368,718	(368,718)	-	-	-
At 31 May 2017	380,507	-	1,527,964	138,433	2,046,904
Carrying amount					
At 31 May 2017	1,031,577	-	1,236,566	68,610	2,336,753
At 31 May 2016	-	211,325	1,274,394	56,145	1,541,864

Property, plant and equipment with a carrying value of £1,514,181 (2016: £825,270) have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings.

4 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	490,001	641,373
Other debtors	98,582	21,751
	588,583	663,124

5 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans	39,197	-
Trade creditors	144,990	181,749
Other taxation and social security	180,781	324,639
Other creditors	480,494	269,937
	845,462	776,325

A & G PRECISION AND SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2017

6 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans	610,803	-
Other creditors	284,708	344,792
	<u>895,511</u>	<u>344,792</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>589,367</u>	<u>218,219</u>
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7 Loans and overdrafts

The bank loan of £650,000 (2016: £Nil) is secured by a fixed charge over the property and any associated assets whether owned now or in the future.

The hire purchase liability of £423,130 (2016: £503,898) is secured by the asset to which it relates.

8 Called up share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid 100 Ordinary of £1 each	100	100
	<u>100</u>	<u>100</u>

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2017 £	2016 £
	<u>3,656</u>	<u>78,443</u>

10 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2017 £	2016 £
Acquisition of tangible fixed assets	<u>746,000</u>	<u>-</u>