

Company registration number 03203844 (England and Wales)

DE HAVILLAND FABRICATION & WELDING LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2022

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DE HAVILLAND FABRICATION & WELDING LIMITED

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DE HAVILLAND FABRICATION & WELDING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2022

The directors present their annual report and financial statements for the year ended 31 May 2022.

Principal activities

The principal activity of the company continued to be that of fabrication and welding.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J E Jewell
W C Ryan
A E Ford

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

W C Ryan
Director
13 October 2022

DE HAVILLAND FABRICATION & WELDING LIMITED

BALANCE SHEET

AS AT 31 MAY 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	5		302,847		315,303
Current assets					
Stocks		45,000		20,000	
Debtors	6	721,886		869,037	
Cash at bank and in hand		108,098		45,952	
		<u>874,984</u>		<u>934,989</u>	
Creditors: amounts falling due within one year	7	<u>(774,491)</u>		<u>(653,134)</u>	
Net current assets			<u>100,493</u>		<u>281,855</u>
Total assets less current liabilities			<u>403,340</u>		<u>597,158</u>
Creditors: amounts falling due after more than one year	8		(138,974)		(31,651)
Provisions for liabilities			<u>(66,563)</u>		<u>(58,701)</u>
Net assets			<u><u>197,803</u></u>		<u><u>506,806</u></u>
Capital and reserves					
Called up share capital	10		100		100
Capital redemption reserve			100		100
Profit and loss reserves			<u>197,603</u>		<u>506,606</u>
Total equity			<u><u>197,803</u></u>		<u><u>506,806</u></u>

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 2022 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 Companies Act 2006 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.

DE HAVILLAND FABRICATION & WELDING LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2022

The financial statements were approved by the board of directors and authorised for issue on 13 October 2022 and are signed on its behalf by:

W C Ryan
Director

Company Registration No. 03203844

DE HAVILLAND FABRICATION & WELDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

Company information

De Havilland Fabrication & Welding Limited is a private company limited by shares incorporated in England and Wales. The registered office is Epsilon House, Gloucester Business Park, Gloucester, Gloucestershire, United Kingdom, GL3 4AD.

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. Monetary amounts in these financial statements are rounded to the nearest £.

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

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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

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:

Land and buildings Leasehold	10% straight line
Plant and machinery	10% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	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.

DE HAVILLAND FABRICATION & WELDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

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 and intangible 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.

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.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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 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 current liabilities.

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.

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.

DE HAVILLAND FABRICATION & WELDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

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.

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.

DE HAVILLAND FABRICATION & WELDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

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 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 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 profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, 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.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	47	47

DE HAVILLAND FABRICATION & WELDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 June 2021 and 31 May 2022	1,995
Amortisation and impairment	
At 1 June 2021 and 31 May 2022	1,995
Carrying amount	
At 31 May 2022	-
At 31 May 2021	-

5 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 June 2021	10,945	536,734	21,949	68,930	638,558
Additions	-	13,270	540	4,995	18,805
Disposals	-	-	-	(7,229)	(7,229)
At 31 May 2022	10,945	550,004	22,489	66,696	650,134
Depreciation and impairment					
At 1 June 2021	10,945	254,490	13,433	44,387	323,255
Depreciation charged in the year	-	18,720	3,072	6,864	28,656
Eliminated in respect of disposals	-	-	-	(4,624)	(4,624)
At 31 May 2022	10,945	273,210	16,505	46,627	347,287
Carrying amount					
At 31 May 2022	-	276,794	5,984	20,069	302,847
At 31 May 2021	-	282,244	8,516	24,543	315,303

6 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	651,863	866,190
Corporation tax recoverable	14,647	-
Other debtors	10,376	2,847
Prepayments and accrued income	45,000	-
	721,886	869,037

DE HAVILLAND FABRICATION & WELDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

7 Creditors: amounts falling due within one year

		2022 £	2021 £
Obligations under finance leases	9	22,125	18,047
Trade creditors		278,679	215,413
Amounts owed to group undertakings		301,757	196,225
Corporation tax		-	14,647
Other taxation and social security		32,268	34,685
Other creditors		4,977	949
Accruals and deferred income		134,685	173,168
		<u>774,491</u>	<u>653,134</u>

Obligations under finance leases are secured by the assets to which they relate.

8 Creditors: amounts falling due after more than one year

		2022 £	2021 £
Bank loans and overdrafts		137,130	-
Other creditors		1,844	31,651
		<u>138,974</u>	<u>31,651</u>

Other creditors include £1,844 relating to assets financed under finance leases which are secured by the assets to which they relate.

9 Finance lease obligations

		2022 £	2021 £
Future minimum lease payments due under finance leases:			
Within one year		23,590	27,195
In two to five years		1,966	25,556
		<u>25,556</u>	<u>52,751</u>
Less: future finance charges		(1,587)	(3,053)
		<u>23,969</u>	<u>49,698</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

DE HAVILLAND FABRICATION & WELDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

10 Called up share capital

	2022	2021
	£	£
Ordinary share capital Issued and fully paid 100 Ordinary of £1 each	100	100

11 Operating lease commitments

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

	2022	2021
	£	£
Within one year	85,641	82,301
	85,641	82,301

12 Related party transactions

Remuneration of key management personnel

	2022	2021
	£	£
Aggregate compensation	20,700	20,700

Transactions with related parties

During the year the company entered into the following transactions with related parties:

Other information

During the year the company paid dividends totalling £147,000 (2021: £155,988) to Ryanford Limited, a company controlled by the directors of the company. As at the year end the company owed £301,757 (2020: £196,255) to Ryanford Limited.

DE HAVILLAND FABRICATION & WELDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

13 Directors' transactions

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding		Maximum
	2022	2021	in year
	£	£	£
Amounts due to Mr W Ryan (Director)	(594)	(594)	(594)
Amounts due to Mrs J Jewell (Director)	(355)	(355)	(355)
Amounts due to / from Mr A Ford (Director)	(305)	2,695	2,695
	<u> </u>	<u> </u>	<u> </u>

During the year the company paid dividends to the directors as follows:

	2022	2021
	£	£
Dividends paid to directors	51,996	132,513
	<u> </u>	<u> </u>

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.