

ABBAY PRECISION ENGINEERING LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 APRIL 2017

BALANCE SHEET
AS AT 30 APRIL 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	89,046	138,455
Investments	5	2	2
		<u>89,048</u>	<u>138,457</u>
Current assets			
Stocks	6	41,761	29,158
Debtors: amounts falling due within one year	7	127,975	98,264
Cash at bank and in hand	8	40,178	75,152
		<u>209,914</u>	<u>202,574</u>
Creditors: amounts falling due within one year	9	(125,135)	(114,007)
Net current assets		<u>84,779</u>	<u>88,567</u>
Total assets less current liabilities		<u>173,827</u>	<u>227,024</u>
Provisions for liabilities			
Deferred tax	11	(16,081)	(25,584)
		<u>(16,081)</u>	<u>(25,584)</u>
Net assets		<u>157,746</u>	<u>201,440</u>
Capital and reserves			
Called up share capital		4	4
Profit and loss account		157,742	201,436
		<u>157,746</u>	<u>201,440</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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 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 comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

ABBAY PRECISION ENGINEERING LIMITED
REGISTERED NUMBER: 05441706

BALANCE SHEET (CONTINUED)
AS AT 30 APRIL 2017

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 January 2018.

Mr P K Jarrett
Director

Mrs J Jarrett
Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017**

1. General information

Abbey Precision Engineering is a private company limited by shares and incorporated in England. The address of the registered office is Victoria Court, 17-21 Ashford Road, Maidstone, Kent, ME14 5FA.

The principal activity of the company is the manufacture and supply of specialist engineering components.

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 following principal accounting policies have been applied:

2.2 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

2. Accounting policies (continued)

2.3 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

Other 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.

2.4 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.

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	-
	20% straight line
Fixtures and fittings	-
	15% 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 the Statement of comprehensive income.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

2. Accounting policies (continued)

2.6 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 balance sheet 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.

2.7 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.

2.8 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.

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.10 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017**

2. Accounting policies (continued)

2.11 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

2.12 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.13 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 the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.15 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

2. Accounting policies (continued)

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 balance sheet 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 Balance sheet 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 balance sheet date.

3. Intangible assets

	Goodwill
	£
Cost	
At 1 May 2016	50,000
At 30 April 2017	50,000
Amortisation	
At 1 May 2016	50,000
At 30 April 2017	50,000
Net book value	
At 30 April 2017	-
At 30 April 2016	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

4. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 May 2016	417,393	14,121	431,514
Additions	-	600	600
At 30 April 2017	417,393	14,721	432,114
Depreciation			
At 1 May 2016	279,975	13,084	293,059
Charge for the year on owned assets	49,696	313	50,009
At 30 April 2017	329,671	13,397	343,068
Net book value			
At 30 April 2017	87,722	1,324	89,046
At 30 April 2016	137,418	1,037	138,455

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 May 2016	2
At 30 April 2017	2
Net book value	
At 30 April 2017	2
At 30 April 2016	2

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

6. Stocks

	2017 £	2016 £
Work in progress (goods to be sold)	19,761	8,158
Finished goods and goods for resale	22,000	21,000
	<u>41,761</u>	<u>29,158</u>

7. Debtors

	2017 £	2016 £
Trade debtors	127,748	98,057
Prepayments and accrued income	227	207
	<u>127,975</u>	<u>98,264</u>

8. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	40,178	75,152
Less: bank overdrafts	(6,509)	(5,331)
	<u>33,669</u>	<u>69,821</u>

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	6,509	5,331
Bank loans	-	9,157
Trade creditors	25,381	16,576
Amounts owed to group undertakings	37,865	18,771
Corporation tax	14,753	20,719
Other taxation and social security	15,800	21,899
Other creditors	865	877
Accruals and deferred income	23,962	20,677
	<u>125,135</u>	<u>114,007</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

10. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	40,178	75,152
	<u>40,178</u>	<u>75,152</u>

Financial assets measured at fair value through profit or loss comprise...

11. Deferred taxation

	2017 £
At beginning of year	(25,584)
Charged to profit or loss	9,503
At end of year	<u>(16,081)</u>

The provision for deferred taxation is made up as follows:

	2017 £
Accelerated capital allowances	(16,081)
	<u>(16,081)</u>

12. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £112 (2016: £nil).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017**

13. Related party transactions

Rent amounting to £38,500 (2016: £38,500) was paid to P & J Jarrett in respect of the Sunderland House premises.

During the year the company advanced the directors £103,513 (2016: £133,177) and were repaid £103,500 (2016: £132,300). As at 30 April 2017 the company owed the directors £865 (2016: £877).

The following transactions with group undertakings and directors of the company are included within the accounts, all of which are on normal commercial terms.

During the year sales of £4,250 (2016: £9,600) and purchases of £NIL (2016: NIL) were made to APE Harrison Billet Ltd a wholly owned subsidiary of the company.

As at 30 April 2017 Abbey Precision Engineering Ltd owed £37,864 (2016: £18,771) to APE Harrison Billet Ltd as an inter company loan and was owed by APE Harrison Billet £9,000 in trade debtors.

14. Controlling party

The company is under the joint control of Mr P K Jarrett and Mrs J Jarrett, directors of the company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017**

15. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

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.