

Company Registration No. 05970543 (England and Wales)

B & A PRECISION ENGINEERING LTD

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

PAGES FOR FILING WITH REGISTRAR

B & A PRECISION ENGINEERING LTD

COMPANY INFORMATION

Directors	Mr M Robinson Mrs A Chapman
Secretary	Mrs A Chapman
Company number	05970543
Registered office	Richard House 9 Winckley Square Preston PR1 3HP
Accountants	MHA Moore and Smalley Fylde House Skyways Commercial Campus Amy Johnson Way Blackpool FY4 3RS

B & A PRECISION ENGINEERING LTD

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B & A PRECISION ENGINEERING LTD**BALANCE SHEET****AS AT 31 JULY 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3		515,499		460,165
Current assets					
Stocks		27,000		27,000	
Debtors	4	303,621		305,254	
Cash at bank and in hand		268,359		132,346	
		<u>598,980</u>		<u>464,600</u>	
Creditors: amounts falling due within one year	5	<u>(263,476)</u>		<u>(304,650)</u>	
Net current assets			<u>335,504</u>		<u>159,950</u>
Total assets less current liabilities			851,003		620,115
Creditors: amounts falling due after more than one year	6		(108,534)		(4,922)
Provisions for liabilities			<u>(84,845)</u>		<u>(73,639)</u>
Net assets			<u><u>657,624</u></u>		<u><u>541,554</u></u>
Capital and reserves					
Called up share capital	7		100		100
Profit and loss reserves			657,524		541,454
Total equity			<u><u>657,624</u></u>		<u><u>541,554</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 July 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.

B & A PRECISION ENGINEERING LTD

BALANCE SHEET (CONTINUED)

AS AT 31 JULY 2017

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

.....

Mr M Robinson
Director

Company Registration No. 05970543

B & A PRECISION ENGINEERING LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

Company information

B & A Precision Engineering Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Richard House, 9 Winckley Square, Preston, PR1 3HP.

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.

These financial statements for the year ended 31 July 2017 are the first financial statements of B & A Precision Engineering Ltd 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 August 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.

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 are recoverable.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses.

B & A PRECISION ENGINEERING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Plant and machinery	15% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Computer equipment	20% 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.

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.

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 replacement cost and 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 at bank and in hand

Cash at bank and in hand 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.

B & A PRECISION ENGINEERING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 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 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

Basic financial liabilities, including creditors, 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.

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 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

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.

1.10 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.

B & A PRECISION ENGINEERING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 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.

1.11 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.

1.12 Retirement benefits

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

1.13 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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 17 (2016 - 18).

B & A PRECISION ENGINEERING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

3 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 August 2016	829,113	9,230	10,504	43,772	892,619
Additions	166,500	679	-	24,488	191,667
Disposals	(24,560)	-	-	(17,675)	(42,235)
At 31 July 2017	971,053	9,909	10,504	50,585	1,042,051
Depreciation and impairment					
At 1 August 2016	392,007	3,868	4,948	31,631	432,454
Depreciation charged in the year	111,969	1,510	1,872	7,293	122,644
Eliminated in respect of disposals	(18,328)	-	-	(10,218)	(28,546)
At 31 July 2017	485,648	5,378	6,820	28,706	526,552
Carrying amount					
At 31 July 2017	485,405	4,531	3,684	21,879	515,499
At 31 July 2016	437,106	5,362	5,556	12,141	460,165

4 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	297,822	299,829
Other debtors	5,799	5,425
	303,621	305,254

5 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	87,324	132,459
Corporation tax	28,120	29,640
Other taxation and social security	35,326	58,895
Other creditors	112,706	83,656
	263,476	304,650

B & A PRECISION ENGINEERING LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 JULY 2017**6 Creditors: amounts falling due after more than one year**

	2017	2016
	£	£
Other creditors	108,534	4,922
	<u> </u>	<u> </u>

7 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
80 Ordinary A £1 shares of £1 each	80	80
10 Ordinary B £1 shares of £1 each	10	10
5 Ordinary C £1 shares of £1 each	5	5
5 Ordinary D £1 shares of £1 each	5	5
	<u> </u>	<u> </u>
	100	100
	<u> </u>	<u> </u>

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