

Pennine Mechanical Engineers Ltd

Annual Report and Unaudited Financial Statements
for the Period from 1 December 2018 to 31 March 2020

Hargreaves Brown & Benson
Chartered Accountants
1 Bond Street
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Lancashire
BB8 9DG

Pennine Mechanical Engineers Ltd

Contents

| | |
|-----------------------------------|-----------------------|
| Company Information | <u>1</u> |
| Accountants' Report | <u>2</u> |
| Balance Sheet | <u>3</u> to <u>4</u> |
| Notes to the Financial Statements | <u>5</u> to <u>10</u> |

Pennine Mechanical Engineers Ltd

Company Information

Director Mr C Rawstron

Company secretary S Bowden

Registered office Heatherleigh,
High Lane,
Salterforth, Barnoldswick,
Lancashire.
BB18 5SL

Accountants Hargreaves Brown & Benson
Chartered Accountants
1 Bond Street
Colne
Lancashire
BB8 9DG

**Chartered Accountants' Report to the Director on the Preparation of the Unaudited Statutory
Accounts of
Pennine Mechanical Engineers Ltd
for the Period Ended 31 March 2020**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Pennine Mechanical Engineers Ltd for the period ended 31 March 2020 as set out on pages 3 to 10 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Pennine Mechanical Engineers Ltd. Our work has been undertaken solely to prepare for your approval the accounts of Pennine Mechanical Engineers Ltd and state those matters that we have agreed to state to the Board of Directors of Pennine Mechanical Engineers Ltd, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Pennine Mechanical Engineers Ltd and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Pennine Mechanical Engineers Ltd has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Pennine Mechanical Engineers Ltd. You consider that Pennine Mechanical Engineers Ltd is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the accounts of Pennine Mechanical Engineers Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

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Hargreaves Brown & Benson
Chartered Accountants
1 Bond Street
Colne
Lancashire
BB8 9DG

9 October 2020

Pennine Mechanical Engineers Ltd

(Registration number: 06495585)
Balance Sheet as at 31 March 2020

| | Note | 2020 £ | 2018 £ |
|--|----------|-----------|-----------|
| Fixed assets | | | |
| Tangible assets | <u>5</u> | 97,172 | 81,349 |
| Current assets | | | |
| Stocks | <u>6</u> | 2,980 | 3,265 |
| Debtors | <u>7</u> | 173,691 | 70,618 |
| Cash at bank and in hand | | 142,509 | 41,738 |
| | | 319,180 | 115,621 |
| Creditors: Amounts falling due within one year | <u>8</u> | (211,676) | (88,494) |
| Net current assets | | 107,504 | 27,127 |
| Total assets less current liabilities | | 204,676 | 108,476 |
| Creditors: Amounts falling due after more than one year | <u>8</u> | (5,243) | (23,726) |
| Provisions for liabilities | | (12,203) | (8,612) |
| Net assets | | 187,230 | 76,138 |
| Capital and reserves | | | |
| Called up share capital | | 100 | 100 |
| Profit and loss account | | 187,130 | 76,038 |
| Total equity | | 187,230 | 76,138 |

The notes on pages 5 to 10 form an integral part of these financial statements.

Pennine Mechanical Engineers Ltd

(Registration number: 06495585)
Balance Sheet as at 31 March 2020

For the financial period ending 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 9 October 2020

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Mr C Rawstron

Director

The notes on pages 5 to 10 form an integral part of these financial statements.

Pennine Mechanical Engineers Ltd

Notes to the Financial Statements for the Period from 1 December 2018 to 31 March 2020

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Heatherleigh,
High Lane,
Salterforth, Barnoldswick,
Lancashire.
BB18 5SL

These financial statements were authorised for issue by the director on 9 October 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

| Asset class | Depreciation method and rate |
|--------------------------------|-------------------------------------|
| Plant and machinery | 15% reducing balance |
| Motor vehicles | 25% reducing balance |
| Fixtures, fittings & equipment | 10% to 25% reducing balance |

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Pennine Mechanical Engineers Ltd

Notes to the Financial Statements for the Period from 1 December 2018 to 31 March 2020

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

| Asset class | Amortisation method and rate |
|--------------------|-------------------------------------|
| Goodwill | 25% straight line |

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Pennine Mechanical Engineers Ltd

Notes to the Financial Statements for the Period from 1 December 2018 to 31 March 2020

Leases

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

3 Staff numbers

The average number of persons employed by the company (including the director) during the period was 1 (2018 - 1).

Pennine Mechanical Engineers Ltd

Notes to the Financial Statements for the Period from 1 December 2018 to 31 March 2020

4 Intangible assets

| | Goodwill £ | Total £ |
|--------------------------|---------------|------------|
| Cost or valuation | | |
| At 1 December 2018 | 2,000 | 2,000 |
| At 31 March 2020 | 2,000 | 2,000 |
| Amortisation | | |
| At 1 December 2018 | 2,000 | 2,000 |
| At 31 March 2020 | 2,000 | 2,000 |
| Carrying amount | | |
| At 31 March 2020 | - | - |

5 Tangible assets

| | Fixtures, fittings & equipment £ | Motor vehicles £ | Plant and machinery £ | Total £ |
|--------------------------|--|---------------------|-----------------------------|------------|
| Cost or valuation | | | | |
| At 1 December 2018 | 11,125 | 98,715 | 10,480 | 120,320 |
| Additions | - | 41,693 | - | 41,693 |
| At 31 March 2020 | 11,125 | 140,408 | 10,480 | 162,013 |
| Depreciation | | | | |
| At 1 December 2018 | 7,434 | 24,858 | 6,679 | 38,971 |
| Charge for the year | 492 | 24,619 | 759 | 25,870 |
| At 31 March 2020 | 7,926 | 49,477 | 7,438 | 64,841 |
| Carrying amount | | | | |
| At 31 March 2020 | 3,199 | 90,931 | 3,042 | 97,172 |
| At 30 November 2018 | 3,691 | 73,857 | 3,801 | 81,349 |

6 Stocks

| | 2020 £ | 2018 £ |
|-------------------|-----------|-----------|
| Other inventories | 2,980 | 3,265 |

Pennine Mechanical Engineers Ltd

Notes to the Financial Statements for the Period from 1 December 2018 to 31 March 2020

7 Debtors

| | 2020 £ | 2018 £ |
|---------------------------------------|----------------|---------------|
| Trade debtors | 110,764 | 51,774 |
| Other debtors | 62,927 | 18,844 |
| | <hr/> | <hr/> |
| Total current trade and other debtors | <u>173,691</u> | <u>70,618</u> |

8 Creditors

| | Note | 2020 £ | 2018 £ |
|------------------------------|----------|----------------|---------------|
| Due within one year | | | |
| Loans and borrowings | <u>9</u> | 13,195 | 13,195 |
| Trade creditors | | 153,083 | 39,626 |
| Taxation and social security | | 10,963 | 22,737 |
| Other creditors | | 34,435 | 12,936 |
| | | <hr/> | <hr/> |
| | | <u>211,676</u> | <u>88,494</u> |
| Due after one year | | | |
| Loans and borrowings | <u>9</u> | <u>5,243</u> | <u>23,726</u> |

9 Loans and borrowings

| | 2020 £ | 2018 £ |
|---|-----------|-----------|
| Non-current loans and borrowings | | |
| Finance lease liabilities | 5,243 | 23,726 |
| | <hr/> | <hr/> |
| Current loans and borrowings | | |
| Finance lease liabilities | 13,195 | 13,195 |
| | <hr/> | <hr/> |

Net obligations under hire purchase contracts are secured by fixed charges on the assets concerned.

Pennine Mechanical Engineers Ltd

Notes to the Financial Statements for the Period from 1 December 2018 to 31 March 2020

10 Related party transactions

Transactions with directors

| | At 1 December 2018 £ | Advances to directors £ | Repayments by director £ | At 31 March 2020 £ |
|---|---|--|---|-----------------------------------|
| 2020 | | | | |
| Mr C Rawstron | | | | |
| This loan is unsecured and interest charged at 2.5% | 18,204 | 85,594 | (42,540) | 61,258 |

| | At 1 December 2017 £ | Advances to directors £ | Repayments by director £ | At 30 November 2018 £ |
|---|---|--|---|--|
| 2018 | | | | |
| Mr C Rawstron | | | | |
| This loan is unsecured and interest charged at 2.5% | (549) | 50,194 | (31,441) | 18,204 |

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.