

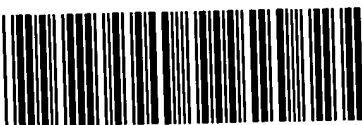
PD INDUSTRIAL LTD

UNAUDITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 OCTOBER 2022

MONDAY



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COMPANIES HOUSE

PD INDUSTRIAL LTD
REGISTERED NUMBER: 09254057

BALANCE SHEET
AS AT 31 OCTOBER 2022

	Note	2022 £	As restated 2021 £
Fixed assets			
Intangible assets		94,340	87,755
Tangible assets	5	89,402	26,411
		<u>183,742</u>	<u>114,166</u>
Current assets			
Debtors	6	2,774,387	3,572,816
Cash at bank and in hand		3,173,124	553,931
		<u>5,947,511</u>	<u>4,126,747</u>
Creditors: amounts falling due within one year	7	(5,758,185)	(3,688,689)
Net current assets		<u>189,326</u>	<u>438,058</u>
Total assets less current liabilities		<u>373,068</u>	<u>552,224</u>
Creditors: amounts falling due after more than one year	8	(117,424)	(162,879)
Provisions for liabilities			
Deferred tax	10	(16,119)	(1,440)
Net assets		<u><u>239,525</u></u>	<u><u>387,905</u></u>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account		239,523	387,903
		<u><u>239,525</u></u>	<u><u>387,905</u></u>

PD INDUSTRIAL LTD
REGISTERED NUMBER: 09254057

BALANCE SHEET (CONTINUED)
AS AT 31 OCTOBER 2022

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 the Companies Act 2006.

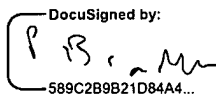
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

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

DocuSigned by:

589C2B9B21D84A4...
P Bradburn
Director

Date: 31 July 2023

The notes on pages 3 to 13 form part of these financial statements.

PD INDUSTRIAL LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

1. General information

PD Industrial Ltd ("the company") is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is Unit 2 Calibre Industrial Park, Laches Close, Four Ashes, Wolverhampton, Staffordshire, WV10 7DZ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared in Sterling (£), which is the functional currency of the company. The financial statements are for the year ended 31 October 2022 (2021: year ended 31 October 2021).

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 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover represents the value of work completed and attributable profit in respect of long term contracts to reflect the level of completion on the contract.

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year-end, by recording turnover and related costs as contract activity progresses. Turnover and cost of sales are calculated as a percentage of direct costs used. Turnover derived from variations on contracts are recognised only when they have been agreed by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

2.3 Amounts recoverable on long term contracts

Amounts recoverable on long term contracts (AROC) represent the gross unbilled amount for contract work performed to date. They are measured at cost plus profit recognised to date (see turnover accounting policy) less a provision for foreseeable losses and less progress billed.

AROC is presented in debtors on the balance sheet. If payments received from customers exceed income recognised, then the difference is presented in payments received on account on the balance sheet.

2.4 Borrowing costs

All borrowing costs are recognised in the profit and loss account in the year in which they are incurred.

PD INDUSTRIAL LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**

2. Accounting policies (continued)

2.5 Current and deferred taxation

The tax charge for the period comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only 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.

Deferred tax is calculated using the tax rates and laws that have been enacted to substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

2.6 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.

Amortisation is provided on the following bases:

Software	-	20% reducing balance
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The transfer to intangible assets is in relation to software costs which have historically been included in plant and machinery.

PD INDUSTRIAL LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**2. Accounting policies (continued)****2.7 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.

Depreciation is provided on the following basis:

Leasehold property improvements	-	33% straight line
Plant and machinery	-	33% straight line
Computer equipment	-	33% straight line
Motor vehicles	-	25% reducing balance

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 profit and loss account.

At each balance sheet date, the directors review the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an 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 the asset, the directors estimate the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately in the profit and loss account.

2.8 Financial instruments

The company only enters into basic financial instrument 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 and loans to related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

2.9 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.

PD INDUSTRIAL LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**3. Employees**

The average monthly number of employees, including directors, during the year was 3 (2021: 3).

4. Intangible assets

	Software £
Cost	
At 1 November 2021	109,694
Additions	30,170
At 31 October 2022	<u>139,864</u>
Amortisation	
At 1 November 2021	21,939
Charge for the year	23,585
At 31 October 2022	<u>45,524</u>
Net book value	
At 31 October 2022	<u><u>94,340</u></u>
At 31 October 2021	<u><u>87,755</u></u>

The transfer to intangible assets is in relation to software costs which have historically been included in plant and machinery.

PD INDUSTRIAL LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

5. Tangible fixed assets

	Freehold property £	Plant and machinery, etc £	Motor vehicles £	Total £
Cost				
At 1 November 2021	133,454	162,338	28,500	324,292
Additions	-	-	94,470	94,470
At 31 October 2022	133,454	162,338	122,970	418,762
Depreciation				
At 1 November 2021	133,454	157,302	7,125	297,881
Charge for the year	-	2,518	28,961	31,479
At 31 October 2022	133,454	159,820	36,086	329,360
Net book value				
At 31 October 2022	-	2,518	86,884	89,402
At 31 October 2021	-	5,036	21,375	26,411

6. Debtors

	2022 £	As restated 2021 £
Trade debtors	1,959,299	2,932,339
Amounts owed by related parties	27,774	-
Other debtors	114,850	10,200
Prepayments and accrued income	288,433	95,891
Amounts recoverable on long-term contracts	384,031	534,386
	<u>2,774,387</u>	<u>3,572,816</u>

During the course of the preparation of these financial statements, further information was evidenced to warrant prior year adjustments. Please see note 12 for reference.

PD INDUSTRIAL LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

7. Creditors: Amounts falling due within one year

	2022 £	As restated 2021 £
Bank loans	45,455	45,455
Payments received on account	2,113,910	532,137
Trade creditors	1,490,893	1,303,438
Amounts owed to group undertakings	1,735,267	1,519,216
Corporation tax	343,388	252,702
Other taxation and social security	16,272	19,567
Accruals and deferred income	13,000	16,174
	<u>5,758,185</u>	<u>3,688,689</u>

During the course of the preparation of these financial statements, further information was evidenced to warrant prior year adjustments. Please see note 12 for reference.

During the year ended 31 October 2022, a fixed charge and a floating charge over all current and future assets of the company was registered by Lloyds Bank PLC, in respect of group bank borrowings.

8. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	<u>117,424</u>	<u>162,879</u>

9. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	45,455	45,455
Amounts falling due 1-2 years		
Bank loans	117,424	162,879
	<u>162,879</u>	<u>208,334</u>

The bank loan balance outstanding at 31 October 2022 is £162,879 (2021: £208,334). The bank loan is made up of the Coronavirus Business Interruption Loan which is repayable in equal monthly installments of £3,788 until May 2026. Interest is based on a floating rate basis, under which the interest will never be less than the margin of 2.67% per annum.

PD INDUSTRIAL LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**10. Deferred taxation**

	2022 £
At beginning of year	1,440
Charged to the profit or loss account	14,679
At end of year	<u><u>16,119</u></u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Fixed asset timing differences	<u>16,119</u>	<u>1,440</u>

11. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

PD INDUSTRIAL LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

12. Prior year adjustment

During the course of the preparation of these financial statements, further information came to light to warrant the following prior year adjustments:

Adjustments impacting the profit and loss account

	Sales £	Cost of sales £	Administrative expenses £	Operating profit £
As previously stated	14,593,827	(11,253,101)	(1,625,927)	1,714,799
Recognition of amounts recoverable on long term contracts	534,386	-	-	534,386
Recognition of payments received on account	(532,137)	-	-	(532,137)
Removal of long term contract VIP adjustment		38,915	-	38,915
Recognition of accrued income	19,500	-	-	19,500
Recognition of prepayments and accruals	-	24,957	-	24,957
Reclassification of costs between cost of sales and administrative expenses	-	21,800	(21,800)	-
As restated	14,615,576	(11,167,429)	(1,647,727)	1,800,420

Adjustments impacting debtors

	Trade debtors £	Other debtors £	Prepayments and accrued income £	Amounts recoverable on long term contracts £
As previously stated	2,893,424	55,458	-	-
Recognition of amounts recoverable on long term contracts	-	-	-	534,386
Removal of long term contract VIP adjustment	38,915	-	-	-
Recognition of accrued income	-	-	19,500	-
Recognition of prepayments	-	-	31,133	-
Reclassification between prepayments and other debtors	-	(45,258)	45,258	-
As restated	2,932,339	10,200	95,891	534,386

PD INDUSTRIAL LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

12. Prior year adjustment (continued)

Adjustments impacting creditors

	Amounts owed to group undertakings	Accruals	Payments on account
As previously stated	(1,429,816)	(99,398)	-
Recognition of payments received on account	-	-	(532,137)
Recognition of accruals	-	(6,176)	-
Reclassification between amounts owed to group undertakings and accruals	(89,400)	89,400	-
As restated	(1,519,216)	(16,174)	(532,137)

Recognition of amounts recoverable on long-term contracts ('AROC'), payments received on account ('POA') and removal of long term contract work-in-progress ('WIP') adjustment within cost of sales

AROC and POA had not been recognised separately in the financial statements for the year ended 31 October 2021. The net of these balances (£(38,915)) was previously recognised within trade debtors and cost of sales, thus understating trade debtors and cost of sales at year-end by £38,915.

Furthermore during the course of the preparation of these financial statements, the completion percentage of each incomplete contract at 31 October 2021 was reviewed and it was found that the profit and net WIP balance of £(38,915) was understated by £41,165.

Therefore, prior year adjustments have been made to recognise the following:

- AROC and POA balances outstanding at 31 October 2021
- WIP adjustment to be recognised within revenue instead of cost of sales in the profit and loss account
- Adjustment to revenue, AROC and POA to ensure the proportion of profit recognised in the year on incomplete contracts outstanding at 31 October 2021 accurately reflects the contracts' completion percentages.

The net of these adjustments have increased the profit and loss account and total net assets by £41,165 compared to the amounts originally stated.

Recognition of accrued income

£19,500 of sales relating to working completed at year ended 31 October 2021 had not been recognised in the financial statements, thus understating prepayments and accrued income and revenue by £19,500.

A prior year adjustment has been made to recognise this accrued income. The comparative figures for prepayments and accrued income, and revenue have increased by £19,500 compared to the amounts originally stated.

PD INDUSTRIAL LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**

12. Prior year adjustment (continued)

Recognition of prepayments and accruals

£31,133 of purchase invoices relating to year ended 31 October 2022 were recognised within cost of sales in the financial statements for year ended 31 October 2021. Furthermore, £6,176 of purchases invoices relating to year ended 31 October 2021 were not accrued for within cost of sales in the financial statements for year ended 31 October 2021.

This resulted in prepayments and accrued income being understated by £31,133, accruals being understated by £6,176 and cost of sales being overstated by £24,957.

A prior year adjustment has been made to recognise these balances. The comparative figures for prepayments, accruals and cost of sales have increased by £31,133, £6,176 and £24,957 respectively. The net of these adjustments have increased the profit and loss account and total net assets by £24,957 compared to the amounts originally stated.

Reclassification of costs between cost of sales and administrative expenses

For the year ended 31 October 2021, £21,800 of costs have been reclassified from cost of sales to administrative expenses. This reclassification is to accurately reflect professional costs incurred by the company. This reclassification has had no impact on the profit and loss account or total net assets for the current or prior period.

Reclassification between prepayments and other debtors

For the year ended 31 October 2021, £45,258 of balances have been reclassified from other debtors to prepayments and accrued income. This reclassification is to accurately reflect the nature of those balances at 31 October 2021. This reclassification has had no impact on the profit and loss account or total net assets for the current or prior period.

Reclassification between amounts owed to group undertakings and accruals

For the year ended 31 October 2021, £89,400 of liabilities have been reclassified from accruals to amounts owed to group undertakings. This reclassification is to accurately disclose what the company owed to group undertakings at 31 October 2021. This reclassification has had no impact on the profit and loss account or total net assets for the current or prior period.

13. Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year, the company was charged £5,000 (2021: £Nil) by companies under common control. At 31 October 2022, the company was owed £27,774 (2021: £Nil) by companies under common control. All amounts owed by companies under common control are interest free, have no fixed repayment date and are unsecured.

During the year, amounts of £76,000 (2021: £Nil) were advanced to the directors. At the year end £76,000 (2021: £Nil) was due from the directors to the company. The outstanding balance due from the directors is interest free, has no repayment date and is unsecured.

PD INDUSTRIAL LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022**

14. Controlling party

The company is 100% owned by Bradburn & Hardiman UK Limited, a company incorporated in the United Kingdom, and shares the registered office of the company.

The ultimate controlling parties are the directors of the company, by virtue of their shareholdings.