

A & D PRECISION ENGINEERING LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

A & D PRECISION ENGINEERING LTD

COMPANY INFORMATION

Director	Mr S R Fernando
Company secretary	Mr R D Barr
Registered number	SC506010
Registered office	52/53 Nasmyth Road Southfield Industrial Estate Glenrothes Fife KY6 2SD
Accountants	EQ Accountants LLP Chartered Accountants Pentland House Saltire Centre Glenrothes Fife KY6 2AH

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2020

		2020 £	2019 £
Fixed assets			
Tangible assets	4	<u>134,882</u>	<u>50,599</u>
		134,882	50,599
Current assets			
Debtors: amounts falling due within one year	5	224,319	44,936
Cash at bank and in hand		<u>25,969</u>	<u>53,488</u>
		250,288	98,424
Creditors: amounts falling due within one year	6	<u>(95,856)</u>	<u>(80,376)</u>
Net current assets		<u>154,432</u>	<u>18,048</u>
Total assets less current liabilities		<u>289,314</u>	<u>68,647</u>
Creditors: amounts falling due after more than one year	7	(188,377)	-
Provisions for liabilities			
Deferred tax		<u>(20,929)</u>	<u>(9,614)</u>
		<u>(20,929)</u>	<u>(9,614)</u>
Net assets		<u>80,008</u>	<u>59,033</u>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account		<u>80,007</u>	<u>59,032</u>
		<u>80,008</u>	<u>59,033</u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 OCTOBER 2020

The director considers 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 director acknowledges his 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 income and retained earnings 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 on 1 June 2021.

Mr S R Fernando
Director

The notes on pages 3 to 8 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

1. General information

A & D Precision Engineering Limited is a private company, limited by shares and incorporated in Scotland, registration number SC506010. The registered office address is 52/53 Nasmyth Road, Southfield Industrial Estate, Glenrothes, Fife, Scotland, KY6 2SD.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

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 Going concern

The director has considered the impact of the Covid-19 pandemic including the consequences of government imposed restrictions impacting directly upon the company and on the company's customers and suppliers and the potential interruption to trade resulting from an absence of employees due to sickness and shielding.

At the time of approving the financial statements the company's trading levels are strong following an initial period of disruption, but the director acknowledges, despite recent positive news regarding vaccines, that the future impact of Covid-19 on the wider economy remains uncertain and could result in a range of potential outcomes.

Although recognising that Covid-19 gives rise to potential uncertainty over the company's trading levels in the foreseeable future the director has considered a range of possible outcomes and having also taking account of the cash and working capital availability remain confident that the company will continue to have sufficient resources to meet liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

In view of the above the director considers it is appropriate to prepare the financial statements on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

2. Accounting policies (continued)

2.3 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. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover 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 turnover 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

Turnover 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 turnover 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.

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

2.5 Finance costs

Finance costs are charged to profit or loss 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

2. Accounting policies (continued)

2.6 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting 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 Statement of financial position 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 reporting date.

2.8 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on either a straight line or reducing balance basis .

Depreciation is provided on the following basis:

Plant and machinery	-	10%	Reducing balance
Motor vehicles	-	25%	Straight line
Office equipment	-	33%	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 profit or loss.

2.9 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 profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position 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 Statement of financial position.

2.10 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, loans to related parties and investments in ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the period was 6 (2019 - 6).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

4. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation				
At 1 November 2019	42,192	-	17,675	59,867
Additions	210,000	19,700	364	230,064
Disposals	(127,450)	-	-	(127,450)
At 31 October 2020	124,742	19,700	18,039	162,481
Depreciation				
At 1 November 2019	2,766	-	6,502	9,268
Charge for the year	21,156	1,642	5,980	28,778
Disposals	(10,447)	-	-	(10,447)
At 31 October 2020	13,475	1,642	12,482	27,599
Net book value				
At 31 October 2020	111,267	18,058	5,557	134,882
At 31 October 2019	39,426	-	11,173	50,599

5. Debtors

	2020 £	2019 £
Trade debtors	84,381	27,543
Other debtors	136,622	14,285
Prepayments and accrued income	3,316	3,108
	<u>224,319</u>	<u>44,936</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

6. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	15,014	38,582
Other taxation and social security	19,509	11,045
Net obligations under hire purchase contracts	35,788	28,874
Other creditors	22,261	-
Accruals and deferred income	3,284	1,875
	<u>95,856</u>	<u>80,376</u>

Net obligations under hire purchase contracts are secured against the relevant assets.

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

	2020 £	2019 £
Net obligations under hire purchase contracts	188,377	-
	<u>188,377</u>	<u>-</u>

Net obligations under hire purchase contracts are secured against the relevant assets.

8. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 (2019 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</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.