

COMPANY REGISTRATION NUMBER: 02036199

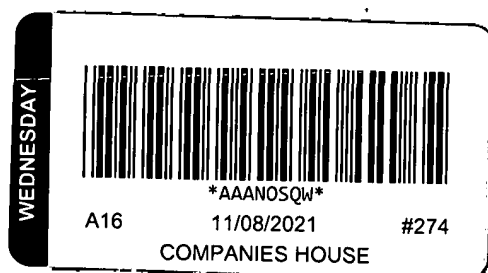
Engineered Composites Limited

**Filleted Unaudited
Financial Statements**

31 March 2021

UHY HACKER YOUNG

Chartered Accountants
St John's Chambers
Love Street
Chester
Cheshire
CH1 1QN



Engineered Composites Limited

Financial Statements

Year ended 31 March 2021

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Engineered Composites Limited

Chartered Accountants Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of Engineered Composites Limited

Year ended 31 March 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Engineered Composites Limited for the year ended 31 March 2021, which comprise the statement of financial position and the related notes 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 www.icaew.com/en/membership/regulations-standards-and-guidance.

This report is made solely to the Board of Directors of Engineered Composites Limited, as a body, in accordance with the terms of our engagement letter dated 22 July 2015. Our work has been undertaken solely to prepare for your approval the financial statements of Engineered Composites Limited and state those matters that we have agreed to state to you, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at www.icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Engineered Composites Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Engineered Composites Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Engineered Composites Limited. You consider that Engineered Composites Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Engineered Composites Limited. 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 financial statements.

UHY HACKER YOUNG
Chartered Accountants

St John's Chambers
Love Street
Chester
Cheshire
CH1 1QN

1 July 2021

Engineered Composites Limited

Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	5	23,585	37,681
CURRENT ASSETS			
Stocks		610,281	743,609
Debtors	6	2,089,768	1,983,990
Cash at bank and in hand		590,175	403,728
		<u>3,290,224</u>	<u>3,131,327</u>
CREDITORS: amounts falling due within one year	7	<u>431,693</u>	<u>498,446</u>
NET CURRENT ASSETS		<u>2,858,531</u>	<u>2,632,881</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,882,116</u>	<u>2,670,562</u>
PROVISIONS			
Taxation including deferred tax		4,481	7,159
NET ASSETS		<u>2,877,635</u>	<u>2,663,403</u>

The statement of financial position
continues on the following page.

The notes on pages 4 to 9 form part of these financial statements.

Engineered Composites Limited

Statement of Financial Position *(continued)*

31 March 2021

	Note	2021 £	2020 £
CAPITAL AND RESERVES			
Called up share capital		100	100
Profit and loss account		<u>2,877,535</u>	<u>2,663,303</u>
SHAREHOLDERS FUNDS		<u>2,877,635</u>	<u>2,663,403</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

These financial statements were approved by the board of directors and authorised for issue on 1 July 2021, and are signed on behalf of the board by:



Mrs N Thelwall-Jones
Director

Company registration number: 02036199

The notes on pages 4 to 9 form part of these financial statements.

Engineered Composites Limited

Notes to the Financial Statements

Year ended 31 March 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is St Johns Chambers, Love Street, Chester, CH1 1QN.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Engineered Composites Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Income tax *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold improvements	-	10% straight line
Plant, equipment, fixtures & fittings	-	25% straight line
Motor vehicles	-	25% straight line
Office equipment	-	25% straight line

Engineered Composites Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Engineered Composites Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 10 (2020: 9).

Engineered Composites Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

5. Tangible assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Equipment £	Total £
Cost					
At 1 April 2020	15,355	97,339	14,795	14,900	142,389
Disposals	–	(4,646)	–	(7,696)	(12,342)
At 31 March 2021	15,355	92,693	14,795	7,204	130,047
Depreciation					
At 1 April 2020	15,355	72,293	7,089	9,971	104,708
Charge for the year	–	8,596	3,699	1,801	14,096
Disposals	–	(4,646)	–	(7,696)	(12,342)
At 31 March 2021	15,355	76,243	10,788	4,076	106,462
Carrying amount					
At 31 March 2021	–	16,450	4,007	3,128	23,585
At 31 March 2020	–	25,046	7,706	4,929	37,681

6. Debtors

	2021 £	2020 £
Trade debtors	408,934	314,187
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,640,877	1,635,782
Other debtors	39,957	34,021
	2,089,768	1,983,990

7. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	277,455	333,122
Corporation tax	81,800	87,198
Social security and other taxes	44,021	66,814
Other creditors	28,417	11,312
	431,693	498,446

8. Charges on assets

Engineered Composites Ltd has given a fixed and floating charge to Positive Cashflow Finance Limited dated 30 June 2015 over the assets of the company, and a fixed charge to Barclays Security Trustee Limited over accounts dated 21 December 2020.

Engineered Composites Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

9. Related party transactions

The company is controlled by its parent company, Platinum Capital Partners (Investments) Limited. During the year the company paid dividends to the holding company of £135,000 (2020 - £201,000). Included in debtors is a current account owed by the holding company of £1,640,877 (2020 - £1,635,782).

No other transactions with related parties were undertaken such as are required to be disclosed that are not already disclosed elsewhere in the financial statements.

10. Controlling party

The company is a wholly owned subsidiary of Platinum Capital Partners (Investments) Limited, a company registered in England and Wales.