

Denebank Precision Engineering (UK) Limited

Financial statements

**For the year ended
30 November 2018**



Denebank Precision Engineering (UK) Limited

Registered number:02885285

Balance sheet

As at 30 November 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	4		678,014		717,799
Current assets					
Stock	5	8,250		8,250	
Debtors	6	247,112		174,302	
Cash at bank		230,084		292,413	
			485,446		474,965
Creditors: amounts falling due within one year	7	(70,949)		(45,589)	
Net current assets			414,497		429,376
Total assets less current liabilities			1,092,511		1,147,175
Provisions for liabilities					
Deferred tax	8		(21,328)		(28,439)
Net assets			1,071,183		1,118,736
Capital and reserves					
Called up share capital			100		100
Profit and loss account			1,071,083		1,118,636
			1,071,183		1,118,736

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 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 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 30 July 2019.


Director P A Goldthorpe

The notes on pages 2 to 7 form part of these financial statements.

Denebank Precision Engineering (UK) Limited

Notes to the financial statements For the year ended 30 November 2018

1. General information

Denebank Precision Engineering (UK) Limited is a private company limited by shares, incorporated in England and Wales. Its registered office is Construction House, Runwell Road, Wickford, Essex, SS11 7HQ. Its principal place of business is 108 Windmill Road, Sunbury on Thames, Middlesex, TW16 7HB, United Kingdom.

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 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

Revenue 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 revenue 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

Revenue 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 revenue 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.

2.3 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.

Denebank Precision Engineering (UK) Limited

Notes to the financial statements For the year ended 30 November 2018

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided at the following rates:

Motor vehicles	-	25% reducing balance
Furniture and equipment	-	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 Statement of income and retained earnings.

2.4 Stock

Stock is stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stock is assessed for impairment. If stock is 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.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 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 non-puttable ordinary shares.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Denebank Precision Engineering (UK) Limited

Notes to the financial statements For the year ended 30 November 2018

2. Accounting policies (continued)

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.

2.10 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 the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.11 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.12 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

2.13 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 the Statement of income and retained earnings in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet 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 Balance sheet.

Denebank Precision Engineering (UK) Limited

Notes to the financial statements For the year ended 30 November 2018

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, 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 income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet 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 Balance sheet 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 balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 7 (2017 - 7).

Denebank Precision Engineering (UK) Limited

Notes to the financial statements For the year ended 30 November 2018

4. Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Furniture and equipment £	Total £
Cost				
At 1 December 2017	614,322	22,369	417,162	1,053,853
At 30 November 2018	614,322	22,369	417,162	1,053,853
Depreciation				
At 1 December 2017	55,639	12,932	267,483	336,054
Charge for the year	-	2,359	37,426	39,785
At 30 November 2018	55,639	15,291	304,909	375,839
Net book value				
At 30 November 2018	558,683	7,078	112,253	678,014
At 30 November 2017	558,683	9,437	149,679	717,799

5. Stock

	2018 £	2017 £
Raw materials	8,250	8,250

6. Debtors

	2018 £	2017 £
Trade debtors	183,667	113,395
Other debtors	-	145
Prepayments and accrued income	63,445	60,762
	247,112	174,302

Denebank Precision Engineering (UK) Limited

Notes to the financial statements For the year ended 30 November 2018

7. Creditors: Amounts falling due within one year

	2018 £	2017 £
Pension creditor	159	71
Trade creditors	36,161	4,704
Corporation tax	13,346	23,442
Taxation and social security	14,105	6,065
Director's loan account	3,278	7,407
Accruals and deferred income	3,900	3,900
	<u>70,949</u>	<u>45,589</u>

8. Deferred taxation

	2018 £	2017 £
At beginning of year	(28,439)	(29,678)
Released during the year	7,111	1,239
At end of year	<u>(21,328)</u>	<u>(28,439)</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	<u>(21,328)</u>	<u>(28,439)</u>

9. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £28,418 (2017 - £118,623).