

Company Registration No. 02918148 (England and Wales)

PRECISION LASER PROCESSING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

PAGES FOR FILING WITH REGISTRAR



PRECISION LASER PROCESSING LIMITED

COMPANY INFORMATION

Directors	Mr D Millar Mrs S M Millar Mr B Ghavami
Secretary	Mrs S M Millar
Company number	02918148
Registered office	Orchard House Sambourne Park Sambourne Redditch Worcestershire B96 6PE
Auditor	Baldwins Audit Services Limited Churchill House 59 Lichfield Street Walsall West Midlands WS4 2BX

PRECISION LASER PROCESSING LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 8

PRECISION LASER PROCESSING LIMITED

BALANCE SHEET

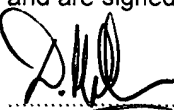
AS AT 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	4	1,331,366		1,656,329	
Current assets					
Stocks		21,114		10,834	
Debtors	5	532,777		568,661	
Cash at bank and in hand		789,404		710,309	
		<u>1,343,295</u>		<u>1,289,804</u>	
Creditors: amounts falling due within one year	6	<u>(811,968)</u>		<u>(1,068,330)</u>	
Net current assets		<u>531,327</u>		<u>221,474</u>	
Total assets less current liabilities		<u>1,862,693</u>		<u>1,877,803</u>	
Creditors: amounts falling due after more than one year	7	<u>(366,384)</u>		<u>(663,398)</u>	
Provisions for liabilities		<u>(50,967)</u>		<u>(74,719)</u>	
Net assets		<u><u>1,445,342</u></u>		<u><u>1,139,686</u></u>	
Capital and reserves					
Called up share capital	8	1,000		1,000	
Profit and loss reserves		<u>1,444,342</u>		<u>1,138,686</u>	
Total equity		<u><u>1,445,342</u></u>		<u><u>1,139,686</u></u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 29/03/2018 and are signed on its behalf by:



Mr D Millar
Director



Mrs S M Millar
Director

Company Registration No. 02918148

PRECISION LASER PROCESSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

Company information

Precision Laser Processing Limited is a private company limited by shares incorporated in England and Wales. The registered office is Orchard House, Sambourne Park, Sambourne, Redditch, Worcestershire, B96 6PE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	
Plant and machinery	20% on reducing balance
Fixtures, fittings & equipment	33% on reducing balance
Motor vehicles	25% on reducing balance

PRECISION LASER PROCESSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the 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 an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

PRECISION LASER PROCESSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

PRECISION LASER PROCESSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 24 (2016 - 23).

PRECISION LASER PROCESSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

3 Directors' remuneration

	2017 £	2016 £
Remuneration paid to directors	67,216	77,717

Dividends totalling £0 (2016: £48,000) were paid in the year in respect of shares held by the company's directors.

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 1).

4 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures, Motor vehicles fittings & equipment £	Total £
Cost				
At 1 July 2016	4,556	3,044,407	27,630	3,148,591
Additions	-	-	-	11,000
At 30 June 2017	4,556	3,044,407	27,630	3,159,591
Depreciation and impairment				
At 1 July 2016	4,556	1,422,364	26,736	1,492,262
Depreciation charged in the year	-	324,567	298	335,963
At 30 June 2017	4,556	1,746,931	27,034	1,828,225
Carrying amount				
At 30 June 2017	-	1,297,476	596	1,331,366
At 30 June 2016	-	1,622,043	894	1,656,329

5 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	453,365	491,994
Corporation tax recoverable	32,168	26,216
Amounts due from group undertakings	13,065	19,470
Prepayments and accrued income	34,179	30,981
	532,777	568,661

PRECISION LASER PROCESSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

6 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Obligations under finance leases		297,014	297,014
Government grant		-	95,349
Trade creditors		304,472	311,160
Amounts due to group undertakings		9,510	162,278
Corporation tax		119,042	72,426
Other taxation and social security		71,209	72,770
Other creditors		-	48,000
Accruals and deferred income		10,721	9,333
		<u>811,968</u>	<u>1,068,330</u>

7 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Obligations under finance leases		<u>366,384</u>	<u>663,398</u>

8 Called up share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid 1,000 Ordinary of £1 each	<u>1,000</u>	<u>1,000</u>

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Mr S N Southall FCCA.

The auditor was Baldwins Audit Services Limited.

PRECISION LASER PROCESSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

10 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

At 30th June 2017 £210,517

At 30th June 2016 £284,817

11 Parent company

DSM Group Limited (incorporated in England and Wales) is registered by the directors as being the company's ultimate parent company.

In the opinion of the directors, DSM Group Limited is the ultimate parent company.

DSM Group Limited is controlled by Mr D Millar and Mrs S M Millar, the directors.

12 Auditor's liability limitation agreement

In accordance with Companies Act 2006 (s538), we are required to disclose any auditor liability limitation agreements in effect.

A Resolution was passed dated 23rd January 2018 which limits the liability of the auditor to £5m for any loss or damage suffered by Precision Laser Processing Limited arising out of or in connection with the provision of the services provided by the auditor including negligence but not wilful default.