

Company Registration No. 02918148 (England and Wales)

PRECISION LASER PROCESSING LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2020
PAGES FOR FILING WITH REGISTRAR

PRECISION LASER PROCESSING LIMITED

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PRECISION LASER PROCESSING LIMITED

BALANCE SHEET

AS AT 30 NOVEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	3		793,121		907,270
Current assets					
Stocks		36,303		4,887	
Debtors	4	1,613,420		1,824,156	
Cash at bank and in hand		56,540		3,441	
		<u>1,706,263</u>		<u>1,832,484</u>	
Creditors: amounts falling due within one year	5	<u>(549,676)</u>		<u>(1,873,128)</u>	
Net current assets/(liabilities)			1,156,587		(40,644)
Total assets less current liabilities			<u>1,949,708</u>		<u>866,626</u>
Creditors: amounts falling due after more than one year	6		(1,093,996)		(44,100)
Provisions for liabilities			<u>(28,807)</u>		<u>(33,888)</u>
Net assets			<u>826,905</u>		<u>788,638</u>
Capital and reserves					
Called up share capital			1,000		1,000
Profit and loss reserves			825,905		787,638
Total equity			<u>826,905</u>		<u>788,638</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 10 November 2021 and are signed on its behalf by:

Mr W M Boswell
Director

Mr B Cufley
Director

Company Registration No. 02918148

PRECISION LASER PROCESSING LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 NOVEMBER 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 July 2018	1,000	1,554,692	1,555,692
Period ended 30 June 2019:			
Profit and total comprehensive income for the period	-	46,946	46,946
Dividends	-	(814,000)	(814,000)
Balance at 30 June 2019	1,000	787,638	788,638
Period ended 30 November 2020:			
Profit and total comprehensive income for the period	-	38,267	38,267
Balance at 30 November 2020	1,000	825,905	826,905

PRECISION LASER PROCESSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 NOVEMBER 2020

1 Accounting policies

Company information

Precision Laser Processing Limited is a private company limited by shares incorporated in England and Wales and domiciled in England.

The registered office is Plum Tree Cottage, Main Street, Bishampton, Pershore, Worcestershire, United Kingdom, WR10 2NL.

The principal activity of the company continued to be that of the provision of laser engineering services.

During the period the company extended the accounting reference date from 30 June 2020 to 30 November 2020. As this is a 17 month period, some elements of the financial statements will not be comparable.

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 £1.

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 it is probable will be recovered.

1.3 Tangible fixed assets

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

PRECISION LASER PROCESSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2020

1 Accounting policies

(Continued)

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

Leasehold improvements	20% on straight line
Plant and machinery	15% on reducing balance
Fixtures, fittings & equipment	15% on reducing balance
Motor vehicles	25% on reducing balance

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 cost and replacement 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 at bank and in hand

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 PERIOD ENDED 30 NOVEMBER 2020

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 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 Taxation

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

PRECISION LASER PROCESSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2020

1 Accounting policies

(Continued)

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.

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.

1.10 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.

1.11 Retirement benefits

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

1.12 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 profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.13 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.

PRECISION LASER PROCESSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2020

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2020 Number	2019 Number
Total	16	18

3 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2019	-	3,044,407	27,630	90,493	3,162,530
Additions	46,101	10,935	27,772	-	84,808
At 30 November 2020	46,101	3,055,342	55,402	90,493	3,247,338
Depreciation and impairment					
At 1 July 2019	-	2,162,256	27,291	65,713	2,255,260
Depreciation charged in the period	519	187,854	1,808	8,776	198,957
At 30 November 2020	519	2,350,110	29,099	74,489	2,454,217
Carrying amount					
At 30 November 2020	45,582	705,232	26,303	16,004	793,121
At 30 June 2019	-	882,151	339	24,780	907,270

4 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	223,799	345,784
Corporation tax recoverable	-	46,340
Amounts owed by group undertakings	-	1,377,458
Prepayments and accrued income	40,899	54,574
	264,698	1,824,156

PRECISION LASER PROCESSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2020

4 Debtors (Continued)

	2020 £	2019 £
Amounts falling due after more than one year:		
Amounts owed by group undertakings	1,348,722	-
Total debtors	1,613,420	1,824,156

5 Creditors: amounts falling due within one year

	2020 £	2019 £
Invoice discounting	205,578	248,333
Trade creditors	175,696	206,701
Amounts owed to group undertakings	-	1,179,751
Taxation and social security	60,795	53,901
Other creditors	1,484	15,455
Obligations under finance leases 7	65,685	145,409
Accruals and deferred income	40,438	23,578
	549,676	1,873,128

The obligations under finance leases are secured against the assets to which they relate.

Loan notes in Sirius A Corporation Limited, the ultimate parent company are secured by a fixed and floating charge across all of the subsidiary companies of DSM Group Limited, the immediate parent company.

Invoice discounting balances are secured by a fixed and floating charge.

6 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Obligations under finance leases 7	15,355	44,100
Amounts owed to group undertakings	1,078,641	-
	1,093,996	44,100

The obligations under finance leases are secured against the assets to which they relate.

PRECISION LASER PROCESSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2020

7 Finance lease obligations

	2020	2019
	£	£
Future minimum lease payments due under finance leases:		
Within one year	65,685	145,409
In two to five years	15,355	44,100
	<u>81,040</u>	<u>189,509</u>

The company use finance lease and hire purchase contracts to acquire plant and machinery. These leases have fixed payment terms, terms of renewal and some assets have purchase options.

8 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 John Hegney FCCA.

The auditor was Azets Audit Services.

9 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:

2020	2019
£	£
<u>587,250</u>	<u>61,920</u>

PRECISION LASER PROCESSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 2020

10 Related party transactions

The company has taken advantage of the exemption available under FRS 102 section 33.1A from disclosing transactions with other wholly owned subsidiaries of DSM Group Limited.

At the period end £77,036 (2019: £79,941) was owed to Laser Process Limited, a company under common control.

At the period end £329,532 (2019: £360,000) was owed to Quality Components (UK) Limited, a company under common control.

At the period end £443,863 (2019: £479,700) was owed to Intec Project Engineering Limited, a company under common control.

At the period end £166,747 (2019: £Nil) was owed to Laser It Limited, a company under common control.

11 Parent company

The company's ultimate parent company at the balance sheet date was Sirius A Corporation Limited, a company incorporated in England and Wales. Sirius A Corporation Limited is the parent of DSM Group Limited, the company's immediate parent.

The registered office of Sirius A Corporation Limited is Plum Tree Cottage, Main Street, Bishampton, Pershore, WR10 2NL.

There is no overall ultimate controlling party.

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.