

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

FOR

MJB PRECISION ENGINEERING LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

	Page
Balance sheet	1
Notes to the financial statements	2

BALANCE SHEET
31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	4		675,014		896,530
Current assets					
Stocks		24,850		30,100	
Debtors	5	256,869		413,418	
Cash at bank and in hand		<u>307,533</u>		<u>581,265</u>	
		589,252		1,024,783	
Creditors					
Amounts falling due within one year	6	<u>297,923</u>		<u>745,026</u>	
Net current assets			<u>291,329</u>		<u>279,757</u>
Total assets less current liabilities			<u>966,343</u>		<u>1,176,287</u>
Creditors					
Amounts falling due after more than one year	7		-		(67,367)
Provisions for liabilities	10		<u>(112,340)</u>		<u>(158,378)</u>
Net assets			<u>854,003</u>		<u>950,542</u>
Capital and reserves					
Called up share capital	11		121		121
Retained earnings			<u>853,882</u>		<u>950,421</u>
Shareholders' funds			<u>854,003</u>		<u>950,542</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2016.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2016 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and
- (b) which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Statement of comprehensive income has not been delivered.

The financial statements were approved by the director on 14 December 2016 and were signed by:

Mr M Bevan - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. Statutory information

MJB Precision Engineering Limited is a private company, limited by shares, registered in England and Wales. The company's registered number is 03183899. The registered office and business address is 9 North Dorset Business Park, Sturminster Newton, Dorset, DT10 2GA.

2. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents invoiced sales of goods, excluding Value Added Tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to leasehold	- Over the term of the lease
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stock and Work In Progress are valued at the lower of cost and net realisable value.

Taxation

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only 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 balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies - continued

Employer-financed retirement benefit scheme (efrbs)

The company has established trusts for the benefit of employees and persons connected with them. Monies held in these trusts are held by independent trustees and managed at their discretion. The trustees are empowered to provide both retirement and other employee benefits.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and are payable after completion of the employment, such monies are charged to the profit and loss account in the period during which services are rendered by employees.

Financial instruments

Basic financial instruments are initially recognised at transaction price and accounted for according to the substance of the contractual arrangement, as either financial assets, liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company, after deducting all liabilities.

At each balance sheet date, financial instruments are measured at amortised cost using the effective interest method. Any losses arising from impairment are recognised in the profit and loss account in the period to which they relate.

3. Employees and directors

The average number of employees during the year was 14 .

4. Tangible fixed assets

	Improvements to leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Cost					
At 1 April 2015	8,013	2,035,415	47,192	89,706	2,180,326
Additions	-	-	6,480	-	6,480
Disposals	-	(2,836)	(350)	-	(3,186)
At 31 March 2016	8,013	2,032,579	53,322	89,706	2,183,620
Depreciation					
At 1 April 2015	3,286	1,220,864	27,704	31,942	1,283,796
Charge for year	2,670	203,413	6,464	14,441	226,988
Eliminated on disposal	-	(1,939)	(239)	-	(2,178)
At 31 March 2016	5,956	1,422,338	33,929	46,383	1,508,606
Net book value					
At 31 March 2016	2,057	610,241	19,393	43,323	675,014
At 31 March 2015	4,727	814,551	19,488	57,764	896,530

The net book value of tangible fixed assets includes £325,879 (2015: £508,334) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £108,626 (2015: £169,445) for the year.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

5. Debtors: amounts falling due within one year	2016	2015
	£	£
Trade debtors	253,830	328,950
Other debtors	-	35,000
Tax	-	46,429
Prepayments and accrued income	3,039	3,039
	<u>256,869</u>	<u>413,418</u>
6. Creditors: amounts falling due within one year	2016	2015
	£	£
Hire purchase contracts (see note 8)	67,441	212,700
Trade creditors	59,141	43,570
Tax	100,312	120,474
Social security and other taxes	6,005	4,633
VAT	45,934	87,725
Other creditors	175	-
Wages control	3,745	-
Credit card	41	221
Directors' current accounts	1,634	250,001
Accruals and deferred income	13,495	25,702
	<u>297,923</u>	<u>745,026</u>
7. Creditors: amounts falling due after more than one year	2016	2015
	£	£
Hire purchase contracts (see note 8)	-	67,367
8. Leasing agreements		
Minimum lease payments fall due as follows:		
	Hire purchase contracts	
	2016	2015
	£	£
Net obligations repayable:		
Within one year	67,441	212,700
Between one and five years	-	67,367
	<u>67,441</u>	<u>280,067</u>
	Non-cancellable operating leases	
	2016	2015
	£	£
Within one year	34,974	36,819
Between one and five years	-	34,974
	<u>34,974</u>	<u>71,793</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

9. **Secured debts**

The following secured debts are included within creditors:

	2016 £	2015 £
Hire purchase contracts	<u>67,441</u>	<u>280,067</u>

Hire purchase agreements are secured on the assets to which they relate.

10. **Provisions for liabilities**

	2016 £	2015 £
Deferred tax		
Accelerated capital allowances	<u>112,340</u>	<u>158,378</u>
		Deferred tax
		£
Balance at 1 April 2015		158,378
Credit to Statement of comprehensive income during year		(46,038)
Balance at 31 March 2016		<u>112,340</u>

11. **Called up share capital**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
100	"A" Ordinary	£1	100	100
1	"B" Ordinary	£1	1	1
10	"C" Ordinary	£1	10	10
10	"D" Ordinary	£1	10	10
			<u>121</u>	<u>121</u>

12. **Contingent liabilities**

The Company has appointed assets to an Employer financed retirement benefit scheme (efrbs).

Consistent with other companies that have used efrbs as part of tax effective remuneration planning, HM Revenue & Customs has opened an enquiry.

A protective determination was received after the year end in the sum of £128,126.

This amount has been demanded under retrospective powers given to HM Revenue & Customs on 17 July 2014 and is an advance payment of the protective determination, prior to the matter being concluded.

Although the company is required to pay this amount to HMRC whilst the enquiry into the disputed tax is ongoing, the company is firmly of the view that this additional tax is not due and will continue to argue their case and believe that the payment, which was made on 12 November 2016 under the new legislation, will be returned in full to the company once the enquiry has been satisfactorily brought to a conclusion.

13. **Ultimate controlling party**

The ultimate controlling party is Mr M Bevan by virtue of his 100% ownership of the voting share capital.

14. First year adoption

These financial statements for the year ended 31 March 2016 are the first financial statements that comply with FRS 102 Section 1A small entities. The date of transition is 01 April 2014.

The transition to FRS102 Section 1A small entities has resulted in a small number of changes in accounting policies to those previously used.

The nature of these changes and their impact on opening equity and profit, where applicable, is detailed in the notes to these financial statements.

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.