

Company registration number: 03916238

Precision Products (Portsmouth) Limited

Unaudited financial statements

31 December 2015



Precision Products (Portsmouth) Limited

Company information

Directors	Mr B Dent Mr H Booth
Secretary	S Dent
Company number	03916238
Registered office	Unit 2A, Alexandria Park 1 Penner Road Havant Hants PO9 1QY
Business address	Unit 2a & 2d Alexandria Park Penner Road Havant Hants PO9 1QY
Accountants	David Bailey 28 Landport Terrace Portsmouth Hampshire PO1 2RG

Precision Products (Portsmouth) Limited

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Precision Products (Portsmouth) Limited

**Chartered accountants report to the board of directors on the preparation of the
unaudited statutory financial statements of Precision Products (Portsmouth) Limited
Year ended 31 December 2015**

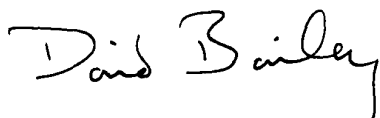
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Precision Products (Portsmouth) Limited for the year ended 31 December 2015 which comprise the statement of financial position and related notes from the company's 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, we are subject to its ethical and other professional requirements which are detailed at icaew.com/regulations.

This report is made solely to the board of directors of Precision Products (Portsmouth) Limited, as a body, in accordance with the terms of our engagement letter dated 19 July 2006. Our work has been undertaken solely to prepare for your approval the financial statements of Precision Products (Portsmouth) Limited and state those matters that we have agreed to state to them of Precision Products (Portsmouth) Limited, as a body, in this report in accordance with AAF 02/10 as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Precision Products (Portsmouth) Limited and its board of directors as a body for our work or for this report.

It is your duty to ensure that Precision Products (Portsmouth) 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 Precision Products (Portsmouth) Limited. You consider that Precision Products (Portsmouth) 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 Precision Products (Portsmouth) 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.



David Bailey
Chartered Accountants
28 Landport Terrace
Portsmouth
Hampshire
PO1 2RG

Date: 18 July 2016

Precision Products (Portsmouth) Limited

**Statement of financial position
31 December 2015**

	Note	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	11	381,007		356,924	
			381,007		356,924
Current assets					
Stocks	12	49,684		32,285	
Debtors	13	381,150		279,698	
Cash at bank and in hand		117,923		100,087	
		548,757		412,070	
Creditors: amounts falling due within one year	14	(275,153)		(256,256)	
Net current assets			273,604		155,814
Total assets less current liabilities			654,611		512,738
Creditors: amounts falling due after more than one year	15		(104,137)		(118,900)
Provisions for liabilities	18		(22,197)		(17,082)
Net assets			<u>528,277</u>		<u>376,756</u>
Capital and reserves					
Called up share capital	20		4		4
Profit and loss account			528,273		376,752
Shareholders funds			<u>528,277</u>		<u>376,756</u>

For the year ending 31 December 2015 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

- The shareholders 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.

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

The notes on pages 4 to 13 form part of these financial statements.

Precision Products (Portsmouth) Limited

Statement of financial position (continued)
31 December 2015

These financial statements were approved by the board of directors and authorised for issue on 16 July 2016, and are signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'H Booth', with a long horizontal stroke extending to the right.

H Booth
Director

Company registration number: 03916238

The notes on pages 4 to 13 form part of these financial statements.

Precision Products (Portsmouth) Limited

Notes to the financial statements Year ended 31 December 2015

1. Statement of compliance

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

2. 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.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 24.

Turnover

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.

Taxation

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

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.

Precision Products (Portsmouth) Limited

Notes to the financial statements (continued)

Year ended 31 December 2015

Tangible assets

Tangible assets are initially recorded at cost, and are 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 capital and reserves, 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 capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves 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:

Long leasehold property	-	Straight line over the lease term.
Plant and machinery	-	20% reducing balance

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

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.

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 are 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 stocks to their present location and condition.

Hire purchase and finance leases

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Precision Products (Portsmouth) Limited

Notes to the financial statements (continued) Year ended 31 December 2015

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.

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 in finance costs in profit or loss in the period it arises.

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 in finance costs in profit or loss in the period in which it arises.

3. Turnover

Turnover arises from:

	2015	2014
	£	£
Sale of goods	1,524,928	1,341,508

Overseas turnover amounted to 1% (2014: 1%) of the total turnover for the year

4. Other operating income

	2015	2014
	£	£
Government grant income	3,000	6,000

5. Operating profit

Operating profit is stated after charging/(crediting):

	2015	2014
	£	£
Depreciation of tangible assets	29,409	23,050
(Gain)/loss on disposal of tangible assets	-	2,193
Foreign exchange differences	102	(137)
Defined contribution plans expense	2,068	407

Precision Products (Portsmouth) Limited

Notes to the financial statements (continued)

Year ended 31 December 2015

6. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2015	2014
	£	£
Remuneration	24,000	24,000
Company contributions to pension schemes in respect of qualifying services	360	-
	<u>24,360</u>	<u>24,000</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2015	2014
	Number	Number
Defined contribution plans	<u>2</u>	<u>2</u>

7. Other interest receivable and similar income

	2015	2014
	£	£
Bank deposits	<u>4</u>	<u>5</u>

8. Interest payable and similar charges

	2015	2014
	£	£
Finance leases and hire purchase contracts	3,279	2,458
Other interest payable and similar charges	5,790	8,271
	<u>9,069</u>	<u>10,729</u>

Precision Products (Portsmouth) Limited

Notes to the financial statements (continued)
Year ended 31 December 2015

9. Tax on profit on ordinary activities

Major components of tax expense

	2015	2014
	£	£
Current tax:		
UK current tax expense	34,579	23,004
Deferred tax:		
Origination and reversal of timing differences	5,115	(1,791)
Tax on profit on ordinary activities	<u>39,694</u>	<u>21,213</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK of 20% (2014: 20%).

A reconciliation is given below:

	2015	2014
	£	£
Profit on ordinary activities before taxation	<u>251,215</u>	<u>148,808</u>
Profit on ordinary activities by rate of tax	50,243	29,762
Effect of expenses not deductible for tax purposes	180	371
Effect of capital allowances and depreciation	54	-
Enhanced R&D tax expenditure	(10,783)	(8,920)
Tax on profit on ordinary activities	<u>39,694</u>	<u>21,213</u>

10. Dividends

Equity dividends

	2015	2014
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>60,000</u>	<u>60,000</u>

Precision Products (Portsmouth) Limited

Notes to the financial statements (continued)

Year ended 31 December 2015

11. Tangible assets

	Long leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 January 2015	264,724	277,590	18,584	560,898
Additions	-	52,584	908	53,492
At 31 December 2015	<u>264,724</u>	<u>330,174</u>	<u>19,492</u>	<u>614,390</u>
Depreciation				
At 1 January 2015	-	194,394	9,580	203,974
Charge for the year	268	27,158	1,983	29,409
At 31 December 2015	<u>268</u>	<u>221,552</u>	<u>11,563</u>	<u>233,383</u>
Carrying amount				
At 31 December 2015	<u>264,456</u>	<u>108,622</u>	<u>7,929</u>	<u>381,007</u>
At 31 December 2014	<u>264,724</u>	<u>83,196</u>	<u>9,004</u>	<u>356,924</u>

Obligations under finance leases

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £
At 31 December 2015	<u>71,887</u>
At 31 December 2014	<u>38,359</u>

12. Stocks

	2015 £	2014 £
Finished goods	<u>49,684</u>	<u>32,285</u>

Precision Products (Portsmouth) Limited

Notes to the financial statements (continued)
Year ended 31 December 2015

13. Debtors

	2015	2014
	£	£
Trade debtors	377,878	270,450
Prepayments and accrued income	3,272	8,315
Other debtors	-	933
	<u>381,150</u>	<u>279,698</u>

14. Creditors: amounts falling due within one year

	2015	2014
	£	£
Bank loans and overdrafts	13,778	12,978
Trade creditors	90,948	95,549
Accruals and deferred income	2,869	3,884
Corporation tax	34,579	23,004
Social security and other taxes	85,661	79,806
Obligations under finance leases	29,220	15,417
Director loan accounts	12,183	22,150
Other creditors	5,915	3,468
	<u>275,153</u>	<u>256,256</u>

15. Creditors: amounts falling due after more than one year

	2015	2014
	£	£
Bank loans and overdrafts	92,551	112,856
Obligations under finance leases	11,586	6,044
	<u>104,137</u>	<u>118,900</u>

Included within creditors: amounts falling due after more than one year is an amount of £ 42,237 (2014 £ 65,542) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The Bank Loan advance was made on 30 September 2009 to buy Long Leasehold Premises and it is secured by mortgage debenture and first legal charge on the premises and over the assets of the Company. Interest is charged at 3.35% p.a over the base rate and the mortgage is repayable in 15 years.

Precision Products (Portsmouth) Limited

Notes to the financial statements (continued)

Year ended 31 December 2015

16. Obligations under finance leases and hire purchase contracts

Company lessee

The total future minimum lease payments under hire purchase and finance lease agreements are as follows:

	2015	2014
	£	£
Not later than 1 year	(29,220)	(15,417)
Later than 1 year and not later than 5 years	(11,586)	(6,044)
	<u>(40,806)</u>	<u>(21,461)</u>
Present value of minimum lease payments	<u>(40,806)</u>	<u>(21,461)</u>

17. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2015	2014
	£	£
Included in provisions (note 18)	<u>22,197</u>	<u>17,082</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2015	2014
	£	£
Accelerated capital allowances	<u>22,197</u>	<u>17,082</u>

18. Provisions

	Deferred tax (note 17) £
At 1 January 2015	17,082
Charges against provision	5,115
At 31 December 2015	<u>22,197</u>

19. Employee benefits

Defined contribution plans

The amount recognised in profit or loss in relation to defined contribution plans was £2,068 (2014:£407).

Precision Products (Portsmouth) Limited

Notes to the financial statements (continued)
Year ended 31 December 2015

20. Called up share capital
Issued, called up and fully paid

	2015		2014	
	No	£	No	£
Ordinary shares shares of £ 1.00 each	2	2	2	2
Ordinary "A" shares shares of £ 1.00 each	2	2	2	2
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

21. Directors advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	Advances/(credits) to the directors		Amounts repaid		Balance outstanding	
	2015	2014	2015	2014	2015	2014
	£	£	£	£	£	£
Mr B Dent	10,034	10,000	-	-	(269)	(10,303)
Mr H Booth	-	10,000	(67)	(65)	(11,914)	(11,847)
	<u>10,034</u>	<u>20,000</u>	<u>(67)</u>	<u>(65)</u>	<u>(12,183)</u>	<u>(22,150)</u>

In previous years both Directors Mr B Dent and Mr H Booth had made interest bearing loans to the Company. At the start of the year £10,000 was owed to each Director in respect of these loans. During the year the £10,000 was repaid by the Company to Mr B Dent, which repaid his loan in full. No repayments were made to Mr H Booth and so at the end of the year the Company still owe the Director £10,000 in respect of the interest bearing loan.

22. Related party transactions

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2015	2014	2015	2014
	£	£	£	£
Mr & Mrs Dent	12,000	12,000	-	-
Mr & Mrs Booth	12,000	12,000	-	-

During the year the Company paid rent of £24,000 (£24,000-2014) for the use of the commercial property owned jointly by the shareholder Mr & Mrs Dent and Mr & Mrs Booth, on an arms length basis. The operating lease is cancellable on demand.

23. Controlling party

The Issued Shares of the Company are beneficially controlled equally by the two Directors.

Precision Products (Portsmouth) Limited

Notes to the financial statements (continued)

Year ended 31 December 2015

24. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2014.

Reconciliation of equity

No transitional adjustments were required.

Reconciliation of profit or loss for the year

No transitional adjustments were required.