

Registered number: 04628465

# **ENSINGER PRECISION ENGINEERING LIMITED**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**



# ENSINGER PRECISION ENGINEERING LIMITED

## COMPANY INFORMATION

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Directors	G Davies P David K Ensinger (resigned 31 March 2021) T Maggs R Reber J Cole (appointed 1 April 2021) R Pemizsak (appointed 1 April 2021)
Registered number	04628465
Registered office	Ensinger Wilfried Way Tonyrefail Rhondda Cynon Taff CF39 8JQ
Independent auditors	Bishop Fleming LLP Chartered Accountants & Statutory Auditors 10 Temple Back Bristol BS1 6FL
Bankers	HSBC plc 97 Bute Street Cardiff CF10 5NA
Solicitors	Hugh James LLP 114-116 St Mary St Cardiff CF10 1DY

# **ENSINGER PRECISION ENGINEERING LIMITED**

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## **ENSINGER PRECISION ENGINEERING LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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The directors present their report and the financial statements for the year ended 31 March 2021.

#### **Principal activity**

The Company's principal activity during the year under review continued to be that of plastics engineering.

#### **Directors**

The directors who served during the year were:

G Davies  
P David  
K Ensinger (resigned 31 March 2021)  
T Maggs  
R Reber

#### **Principal risks and uncertainties**

During the financial year 2020/21 the UK has been significantly impacted by the COVID-19 outbreak. The impact on many businesses and sectors across the UK, Europe and the globe have been unprecedented with the UK economy retracting by a historical record of 9.9% in the 2020 calendar year.

As of the time of writing this report the OECD is forecasting a 7.2% economy growth in 2021 clearly indicating that the UK is in a recovery phase but also will not return to pre-COVID levels of GDP until at least 2022. We are seeing a similar trend at Ensinger with the company's turnover reducing by 18% in 2020/21 and an expected recovery of 17% in 2021/22.

The company continues to manage the global pandemic with careful monitoring of performance and with employee health & safety, and preserving cash the primary objectives. The Company will continue to limit its investments to only necessary/critical replacements of assets until it has clarity the recently ended government restrictions do not cause further significant spikes in COVID-19 cases and the economy and our own industry is stabilised.

On 1st April 2021 the company's business and assets were transferred into Ensinger Machined Parts Ltd (a fellow Ensinger UK group 100% wholly owned subsidiary) for the purposes of clearer market branding and operational consolidation. Ensinger Precision Engineering Ltd is a dormant legal entity as of 1st April 2021.

Based on the current financial position and results, despite the ongoing risk of prolonged longer term uncertainty associated with the pandemic, senior management and the directors believe the Company remains in a stable position, with sufficient reserves, cash headroom and support from its immediate and ultimate parent entity, to mitigate and manage the risks.

#### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Auditors**

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**ENSINGER PRECISION ENGINEERING LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

J Cole  
Director

Date:

16/09/2021

Ensinger  
Wilfried Way  
Tonyrefail  
Rhondda Cynon Taff  
CF39 8JQ

## **ENSINGER PRECISION ENGINEERING LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2021**

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The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **ENSINGER PRECISION ENGINEERING LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENSINGER PRECISION ENGINEERING LIMITED**

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#### **Opinion**

We have audited the financial statements of Ensinger Precision Engineering Limited (the 'Company') for the year ended 31 March 2021, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **ENSINGER PRECISION ENGINEERING LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENSINGER PRECISION ENGINEERING LIMITED (CONTINUED)**

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#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **ENSINGER PRECISION ENGINEERING LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENSINGER PRECISION ENGINEERING LIMITED (CONTINUED)**

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#### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, we considered the following:

- We have considered the nature of the industry and sector, control environment, and business performance;
- We have considered the results of enquiries with management and the directors in relation to their own identification and assessment of the risks of irregularities within the entity; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating effectively, in line with documentation.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut-off.

In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102 and UK tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or avoid a material penalty. These included data protection legislation, health and safety regulations, and employment law.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management in relation to actual and potential claims or litigation;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Performing detailed transactional testing in relation to the recognition of revenue with a particular focus around the year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

## ENSINGER PRECISION ENGINEERING LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENSINGER PRECISION ENGINEERING LIMITED (CONTINUED)

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We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in the financial statements or non-compliance with regulation, will be detected by us. This risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

#### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Ria Burridge FCCA (Senior Statutory Auditor)

for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

Date:

29/09/21

# **ENSINGER PRECISION ENGINEERING LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Turnover		4,577,478	5,563,312
Cost of sales		(3,693,524)	(4,205,701)
<b>Gross profit</b>		<b>883,954</b>	<b>1,357,611</b>
Administrative expenses		(992,903)	(1,019,916)
Other operating income		324,065	6,250
Other operating charges		(108,251)	(101,444)
<b>Operating profit</b>		<b>106,865</b>	<b>242,501</b>
Tax on profit		(4,956)	(68,471)
<b>Profit for the financial year</b>		<b>101,909</b>	<b>174,030</b>

There was no other comprehensive income for 2021 (2020: £NIL).

The notes on pages 12 to 20 form part of these financial statements.

**ENSINGER PRECISION ENGINEERING LIMITED**  
**REGISTERED NUMBER: 04628465**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	7	68,837	83,857
		<u>68,837</u>	<u>83,857</u>
<b>Current assets</b>			
Stocks	8	821,794	867,028
Debtors: amounts falling due within one year	9	1,035,311	1,058,320
Cash at bank and in hand	10	94,370	38,486
		<u>1,951,475</u>	<u>1,963,834</u>
Creditors: amounts falling due within one year	11	(1,571,825)	(1,643,295)
<b>Net current assets</b>		<u>379,650</u>	<u>320,539</u>
<b>Total assets less current liabilities</b>		<u>448,487</u>	<u>404,396</u>
<b>Provisions for liabilities</b>			
Deferred tax		-	(7,818)
			<u>(7,818)</u>
<b>Net assets</b>		<u><u>448,487</u></u>	<u><u>396,578</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	100	100
Profit and loss account		448,387	396,478
		<u><u>448,487</u></u>	<u><u>396,578</u></u>

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 financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J Cole  
 Director

Date:

16/09/2021

The notes on pages 12 to 20 form part of these financial statements.

**ENSINGER PRECISION ENGINEERING LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

	<b>Called up: share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2020	100	396,478	396,578
Profit for the year	-	101,909	101,909
<b>Total comprehensive income for the year</b>	-	<b>101,909</b>	<b>101,909</b>
Dividends: Equity capital	-	(50,000)	(50,000)
<b>Total transactions with owners</b>	-	<b>(50,000)</b>	<b>(50,000)</b>
<b>At 31 March 2021</b>	<b>100</b>	<b>448,387</b>	<b>448,487</b>

The notes on pages 12 to 20 form part of these financial statements.

**ENSINGER PRECISION ENGINEERING LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2019	100	422,448	422,548
Profit for the year	-	174,030	174,030
<b>Total comprehensive income for the year</b>	-	174,030	174,030
Dividends: Equity capital	-	(200,000)	(200,000)
<b>Total transactions with owners</b>	-	(200,000)	(200,000)
<b>At 31 March 2020</b>	<b>100</b>	<b>396,478</b>	<b>396,578</b>

The notes on pages 12 to 20 form part of these financial statements.

## **ENSINGER PRECISION ENGINEERING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

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#### **1. General information**

Ensinger Precision Engineering Limited is a private company limited by share capital incorporated in England and Wales. The registered office is Ensinger, Wilfried Way, Tonyrefail, Rhondda Cynon Taff, CF39 8JQ which is also the principal place of business.

#### **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 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Ensinger Group Limited as at 31 March 2021 and these financial statements may be obtained from Ensinger, Wilfried Way, Tonyrefail, Rhondda Cynon Taff, CF39 8JQ.

##### **2.3 Going concern**

During the financial year, the UK has been significantly impacted by the COVID-19 pandemic. The impact on many businesses and sectors across the UK, Europe and the globe has been unprecedented.

Whilst the directors' accept that COVID-19 has had some impact on the operations of the Company, this has been managed accordingly, and with on-going support from both its immediate and ultimate parent entity, there is no material uncertainty that the Company does not maintain sufficient resources to be able to realise its assets and discharge its liabilities as they fall due, in the normal course of business, and is able to continue trade for a period of at least 12 months from the date of the auditors' report.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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**2. Accounting policies (continued)**

**2.4 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**2.5 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.

**2.6 Operating leases: the Company as lessee**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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2. Accounting policies (continued)

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.8 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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 Statement of financial position 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 reporting date.

## ENSINGER PRECISION ENGINEERING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 2. Accounting policies (continued)

##### 2.10 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 8 years straight line basis
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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 profit or loss.

##### 2.11 Stocks

Stocks are 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 weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are 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.

##### 2.12 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.

##### 2.13 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.

## ENSINGER PRECISION ENGINEERING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 2. Accounting policies (continued)

##### 2.14 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.

##### 2.15 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 ordinary shares.

##### 2.16 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.

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The judgements, estimates and assumptions that are considered critical are as follows:

##### Provision for impairment of stocks

The provision for impairment of stocks assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of stocks and other factors that affect stock obsolescence.

##### Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation charges for its tangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### 4. Employees

The average monthly number of employees, including directors, during the year was 66 (2020: 72).

#### 5. Directors' remuneration

During the year the directors received remuneration of £59,240 (2020: £60,635) in respect of qualifying services performed for the Company. The directors' remuneration has been paid by the immediate parent undertaking, Ensinger Group Limited.

The only key management personnel are the directors. The aggregate compensation paid to them is the amount shown above.

**ENSINGER PRECISION ENGINEERING LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021****6. Dividends**

	2021 £	2020 £
<b>ORDINARY SHARE CAPITAL</b>		
Equity dividends paid at £500 per ordinary share (2020: £2,000 per ordinary share)	50,000	200,000
	<u>50,000</u>	<u>200,000</u>

**7. Tangible fixed assets**

	Plant and machinery £
<b>COST OR VALUATION</b>	
At 1 April 2020	120,153
At 31 March 2021	<u>120,153</u>
<b>DEPRECIATION</b>	
At 1 April 2020	36,296
Charge for the year on owned assets	15,020
At 31 March 2021	<u>51,316</u>
<b>NET BOOK VALUE</b>	
At 31 March 2021	<u>68,837</u>
At 31 March 2020	<u>83,857</u>

# **ENSINGER PRECISION ENGINEERING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

### **8. Stocks**

	2021 £	2020 £
Raw materials and consumables	204,886	243,614
Work in progress	134,104	120,548
Finished goods and goods for resale	482,804	502,866
	<u>821,794</u>	<u>867,028</u>

### **9. Debtors**

	2021 £	2020 £
Trade debtors	956,107	1,019,360
Amounts owed by group undertakings	1,173	9,884
Other debtors	28,676	195
Prepayments and accrued income	49,347	28,881
Deferred taxation	8	-
	<u>1,035,311</u>	<u>1,058,320</u>

### **10. Cash and cash equivalents**

	2021 £	2020 £
Cash at bank and in hand	94,370	38,486
	<u>94,370</u>	<u>38,486</u>

### **11. Creditors: amounts falling due within one year**

	2021 £	2020 £
Trade creditors	33,318	62,115
Amounts owed to group undertakings	1,229,621	1,229,037
Corporation tax	-	16,177
Other taxation and social security	234,028	269,651
Other creditors	28,646	35,451
Accruals and deferred income	46,212	30,864
	<u>1,571,825</u>	<u>1,643,295</u>

**ENSINGER PRECISION ENGINEERING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**12. Share capital**

	2021 £	2020 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
100 (2020: 100) Ordinary Share Capital shares of £1.00 each	<b>100</b>	<b>100</b>

**13. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £110,785 (2020: £114,457). £NIL contributions were payable to the fund at the reporting date (2020: £NIL) by Ensinger Precision Engineering Limited, as the pension commitments for the Company are settled by a related entity, Ensinger Limited.

**14. Commitments under operating leases**

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	<b>82,150</b>	<b>82,150</b>
	<b>82,150</b>	<b>82,150</b>
	2021 £	2020 £
Not later than 1 year	<b>151,772</b>	<b>151,772</b>
Later than 1 year and not later than 5 years	<b>393,102</b>	<b>396,954</b>
Later than 5 years	<b>155,945</b>	<b>155,945</b>
	<b>700,819</b>	<b>704,671</b>

**15. Related party transactions**

The Company has taken the exemption available under FRS 102 from disclosing the details of transactions between wholly owned members of the same group. There are no additional transactions and balances with other related parties.

## **ENSINGER PRECISION ENGINEERING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

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#### **16. Controlling party**

The immediate parent undertaking is Ensinger Group Limited, a company registered in England and Wales. The directors regard Ensinger Holding GmbH & Co Kg, a company registered in Germany, as the ultimate parent undertaking and controlling party. Ensinger GmbH & Co Kg is controlled by the W Ensinger family.

Copies of the group financial statements of Ensinger Group Limited may be obtained from Companies House. Copies of the financial statements of Ensinger Holding GmbH & Co Kg are held at Rudolf Diesel Strasse, 71154 Nürtingen.