

Registered number: 05257520

---

**PRECISION PARTS ENGINEERING LIMITED**

---

**FINANCIAL STATEMENTS**  
**INFORMATION FOR FILING WITH THE REGISTRAR**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



**PRECISION PARTS ENGINEERING LIMITED**  
**REGISTERED NUMBER: 05257520**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	5	755,129	443,673
<b>Current assets</b>			
Stocks		96,168	88,719
Debtors: amounts falling due within one year	6	2,699,079	2,715,320
Cash at bank and in hand	7	644,545	795,348
		<u>3,439,792</u>	<u>3,599,387</u>
Creditors: amounts falling due within one year	8	(699,968)	(872,945)
<b>Net current assets</b>		<u>2,739,824</u>	<u>2,726,442</u>
<b>Total assets less current liabilities</b>		<u>3,494,953</u>	<u>3,170,115</u>
Creditors: amounts falling due after more than one year	9	(362,147)	(209,210)
<b>Provisions for liabilities</b>			
Deferred tax	10	(160,696)	(78,606)
<b>Net assets</b>		<u><u>2,972,110</u></u>	<u><u>2,882,299</u></u>
<b>Capital and reserves</b>			
Called up share capital		9,500	9,500
Profit and loss account		2,962,610	2,872,799
		<u><u>2,972,110</u></u>	<u><u>2,882,299</u></u>

---

**PRECISION PARTS ENGINEERING LIMITED**  
**REGISTERED NUMBER: 05257520**

---

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

---

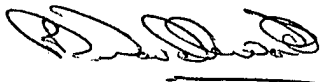
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

5 April 2022



**P Wardleworth**  
Director

The notes on pages 3 to 11 form part of these financial statements.

---

## PRECISION PARTS ENGINEERING LIMITED

---

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

---

#### 1. General information

The Company is a private limited company registered in England (no. 05257520).

#### 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 Going concern

At the time of approval of the financial statements, the COVID19 situation continues to develop and some restrictions continue. The government has requested that non-essential business travel does not take place and social distancing and other measures are to remain in place.

The initial stages of the COVID crisis saw reductions in orders from certain industry sectors, particularly capital equipment, however a gradual recovery is occurring. Management took the necessary actions during 2020 and 2021 to install safety measures and continue manufacturing operations. Advantage was taken of the job retention scheme to retain key staff, overheads have been reduced where necessary and the company has continued to trade profitably.

It is acknowledged that there remains a degree of uncertainty and the coronavirus can potentially impact operations. However, so far potential issues have been addressed by the measures introduced by management. The Directors have undertaken planning and forecasting and will continue to closely monitor the developing situation.

The directors have reviewed forecasts for a period extending at least 12 months from the date of approval of these financial statements. On the basis of this review, taking into account the general economic position of the sector, recent developments with regard to COVID19 and continuing future prospects, they consider that the company will remain profitable and be in a position to finance its operations and meet its financial obligations as they fall due for the foreseeable future.

---

## PRECISION PARTS ENGINEERING LIMITED

---

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

---

#### 2. Accounting policies (continued)

##### 2.3 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.

##### 2.4 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.

##### 2.5 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.7 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 Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

---

## PRECISION PARTS ENGINEERING LIMITED

---

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

---

#### 2. Accounting policies (continued)

##### 2.8 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 balance sheet 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 balance sheet 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 balance sheet date.

##### 2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

##### 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.

---

## PRECISION PARTS ENGINEERING LIMITED

---

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

---

#### 2. Accounting policies (continued)

##### 2.10 Tangible fixed assets (continued)

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:

Short-term leasehold property	- 14-20%
Plant and machinery	- 10-20%
Motor vehicles	- 20%
Fixtures and fittings	- 14%

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 first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet 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.

##### 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.

---

**PRECISION PARTS ENGINEERING LIMITED**

---

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

---

**2. Accounting policies (continued)**

**2.15 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

**2.16 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**2.17 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.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

**2.18 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. Employees**

The average monthly number of employees, including directors, during the year was 27 (2020 - 33).



---

PRECISION PARTS ENGINEERING LIMITED

---

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

---

4. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 January 2021	700,000
At 31 December 2021	<u>700,000</u>
<b>Amortisation</b>	
At 1 January 2021	700,000
At 31 December 2021	<u>700,000</u>
<b>Net book value</b>	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>-</u>

PRECISION PARTS ENGINEERING LIMITED

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

5. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 January 2021	48,764	2,242,274	32,990	91,793	2,415,821
Additions	728	406,190	-	3,957	410,875
Disposals	-	(201,525)	-	(25,639)	(227,164)
At 31 December 2021	49,492	2,446,939	32,990	70,111	2,599,532
<b>Depreciation</b>					
At 1 January 2021	31,418	1,847,814	29,791	63,125	1,972,148
Charge for the year on owned assets	4,045	84,143	3,189	8,042	99,419
Disposals	-	(201,525)	-	(25,639)	(227,164)
At 31 December 2021	35,463	1,730,432	32,980	45,528	1,844,403
<b>Net book value</b>					
At 31 December 2021	14,029	716,507	10	24,583	755,129
At 31 December 2020	17,346	394,460	3,199	28,668	443,673

---

PRECISION PARTS ENGINEERING LIMITED

---

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

---

6. Debtors

	2021 £	2020 £
Trade debtors	475,801	610,091
Amounts owed by group undertakings	2,203,599	2,078,449
Prepayments and accrued income	19,679	26,780
	<u>2,699,079</u>	<u>2,715,320</u>

7. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>644,545</u>	<u>795,348</u>

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	219,680	242,615
Corporation tax	-	22,946
Other taxation and social security	51,056	173,509
Obligations under finance lease and hire purchase contracts	150,783	107,337
Other creditors	177,537	216,253
Accruals and deferred income	100,912	110,285
	<u>699,968</u>	<u>872,945</u>

9. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	<u>362,147</u>	<u>209,210</u>

---

PRECISION PARTS ENGINEERING LIMITED

---

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

---

10. Deferred taxation

	2021 £
At beginning of year	(78,606)
Charged to profit or loss	(82,090)
At end of year	<u>(160,696)</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(186,294)	(79,003)
Short term timing differences	676	397
Losses carried forward	24,922	-
	<u>(160,696)</u>	<u>(78,606)</u>

11. 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 £52,800 (2020 - £56,223)

12. Related party transactions

The Company has taken advantage of FRS 102 not to disclose details of transactions entered into between two or more members of the same 100% group.

13. Controlling party

The company's ultimate parent undertaking and controlling party is Blue Spark Holdings Limited, registered in England.

14. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 6 April 2022 by Michael Jayson (Senior statutory auditor) on behalf of Crowe U.K. LLP.