

Registered number: 05257520

PRECISION PARTS ENGINEERING LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2022



PRECISION PARTS ENGINEERING LIMITED
REGISTERED NUMBER: 05257520

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	5	764,051	755,129
		<u>764,051</u>	<u>755,129</u>
Current assets			
Stocks		180,300	96,168
Debtors: amounts falling due within one year	6	3,212,760	2,599,079
Cash at bank and in hand	7	493,373	644,545
		<u>3,886,433</u>	<u>3,339,792</u>
Creditors: amounts falling due within one year	8	(1,085,623)	(562,468)
Net current assets		<u>2,800,810</u>	<u>2,777,324</u>
Total assets less current liabilities		<u>3,564,861</u>	<u>3,532,453</u>
Creditors: amounts falling due after more than one year	9	(377,575)	(499,647)
Provisions for liabilities			
Deferred tax	10	(154,245)	(160,696)
		<u>(154,245)</u>	<u>(160,696)</u>
Net assets		<u>3,033,041</u>	<u>2,872,110</u>
Capital and reserves			
Called up share capital		9,500	9,500
Profit and loss account		3,023,541	2,862,610
		<u>3,033,041</u>	<u>2,872,110</u>

PRECISION PARTS ENGINEERING LIMITED
REGISTERED NUMBER: 05257520

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

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 28 March 2024.



P Wardleworth
Director



C Ball
Director

The notes on pages 5 to 14 form part of these financial statements.

PRECISION PARTS ENGINEERING LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2022 (as previously stated)	9,500	2,962,610	2,972,110
Prior year adjustment	-	(100,000)	(100,000)
At 1 January 2022 (as restated)	9,500	2,862,610	2,872,110
Comprehensive income for the year			
Profit for the year	-	440,931	440,931
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	440,931	440,931
Dividends: Equity capital	-	(280,000)	(280,000)
Total transactions with owners	-	(280,000)	(280,000)
At 31 December 2022	9,500	3,023,541	3,033,041

The notes on pages 5 to 14 form part of these financial statements.

PRECISION PARTS ENGINEERING LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	9,500	2,872,799	2,882,299
Comprehensive income for the year			
Profit for the year	-	269,811	269,811
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	269,811	269,811
Dividends: Equity capital	-	(280,000)	(280,000)
Total transactions with owners	-	(280,000)	(280,000)
At 31 December 2021	9,500	2,862,610	2,872,110

The notes on pages 5 to 14 form part of these financial statements.

PRECISION PARTS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

The directors have reviewed forecasts for the Group 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 and continuing future prospects, they consider that the Group 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.

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.

PRECISION PARTS ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

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.

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.

PRECISION PARTS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

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.

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.

PRECISION PARTS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

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.

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 26 (2021 - 27).

PRECISION PARTS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Intangible assets

	Goodwill £
Cost	
At 1 January 2022	700,000
At 31 December 2022	<u>700,000</u>
Amortisation	
At 1 January 2022	700,000
At 31 December 2022	<u>700,000</u>
Net book value	
At 31 December 2022	<u>-</u>
At 31 December 2021	<u>-</u>

PRECISION PARTS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2022	49,492	2,446,939	32,990	70,111	2,599,532
Additions	-	116,405	-	9,909	126,314
Disposals	-	(81,930)	-	-	(81,930)
At 31 December 2022	49,492	2,481,414	32,990	80,020	2,643,916
Depreciation					
At 1 January 2022	35,463	1,730,432	32,980	45,528	1,844,403
Charge for the year on owned assets	4,129	105,807	10	7,446	117,392
Disposals	-	(81,930)	-	-	(81,930)
At 31 December 2022	39,592	1,754,309	32,990	52,974	1,879,865
Net book value					
At 31 December 2022	9,900	727,105	-	27,046	764,051
At 31 December 2021	14,029	716,507	10	24,583	755,129

PRECISION PARTS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

6. Debtors

	2022 £	2021 £
Trade debtors	958,115	475,801
Amounts owed by group undertakings	2,237,322	2,103,599
Prepayments and accrued income	17,323	19,679
	<u>3,212,760</u>	<u>2,599,079</u>

7. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	493,373	644,545
	<u>493,373</u>	<u>644,545</u>

8. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	36,667	36,667
Trade creditors	499,115	219,680
Corporation tax	46,020	-
Other taxation and social security	130,685	51,056
Obligations under finance lease and hire purchase contracts	167,726	150,783
Other creditors	16,946	3,370
Accruals and deferred income	188,464	100,912
	<u>1,085,623</u>	<u>562,468</u>

PRECISION PARTS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

	2022 £	2021 £
Bank loans	100,833	137,500
Net obligations under finance leases and hire purchase contracts	276,742	362,147
	<u>377,575</u>	<u>499,647</u>

Included in bank loans is a CBILS loan. £137,500 was outstanding at the year end (2021: £174,167).

In the prior period £174,167 has been reallocated from Other creditors to bank loans to correctly reflect the repayment profile of the loan.

PRECISION PARTS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Deferred taxation

	2022 £
At beginning of year	(160,696)
Charged to profit or loss	6,451
At end of year	<u>(154,245)</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(189,483)	(186,294)
Short term timing differences	35,238	676
Losses carried forward	-	24,922
	<u>(154,245)</u>	<u>(160,696)</u>

11. Prior year adjustment

A restatement of £100,000 has been made for the dividends declared to the Company by the subsidiary in the prior period that were not accounted for. The adjustment decreases Amounts owed to group undertakings (note 12) by £100,000 and increases P&L reserves of the company by £100,000. The consolidated financial statements were not impacted by the restatement.

12. Capital commitments

At 31 December 2022 the Company had capital commitments as follows:

	2022 £	2021 £
Contracted for but not provided in these financial statements	154,000	-
	<u>154,000</u>	<u>-</u>

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 £57,820 (2021 - £52,800)

PRECISION PARTS ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. 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.

15. Controlling party

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

16. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2022 was unqualified.

The audit report was signed on 28 March 2024 by Michael Jayson (Senior statutory auditor) on behalf of Crowe U.K LLP