

COMPANY REGISTRATION NUMBER: 05502818

Dave Addicott Engineering Limited
Filleted Unaudited Financial Statements
30 September 2022

Dave Addicott Engineering Limited

Financial Statements

Year ended 30th September 2022

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Dave Addicott Engineering Limited

Officers and Professional Advisers

The board of directors	Mr D R Addicott Mrs E M Addicott
Company secretary	Mrs E M Addicott
Registered office	Richlyn Cottage Nedge Hill Chewton Mendip Radstock Somerset BA3 4LP
Accountants	Chalmers HB Ltd Chartered Accountants 20 Chamberlain Street Wells Somerset BA5 2PF

Dave Addicott Engineering Limited

Statement of Financial Position

30 September 2022

		2022	2021
			(restated)
	Note	£	£
Fixed assets			
Tangible assets	6	208,468	182,567
Current assets			
Stocks		82,792	90,740
Debtors	7	72,695	480,433
Cash at bank and in hand		21,963	389
		177,450	571,562
Creditors: amounts falling due within one year	8	213,585	350,411
Net current (liabilities)/assets		(36,135)	221,151
Total assets less current liabilities		172,333	403,718
Creditors: amounts falling due after more than one year	9	46,721	205,444
Provisions			
Taxation including deferred tax		–	16,254
Net assets		125,612	182,020
Capital and reserves			
Called up share capital		1	1
Profit and loss account		125,611	182,019
Shareholders funds		125,612	182,020

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 30th September 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members 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 .

Dave Addicott Engineering Limited

Statement of Financial Position *(continued)*

30 September 2022

These financial statements were approved by the board of directors and authorised for issue on 30 June 2023 , and are signed on behalf of the board by:

Mr D R Addicott

Mrs E M Addicott

Director

Director

Company registration number: 05502818

Dave Addicott Engineering Limited

Notes to the Financial Statements

Year ended 30th September 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Richlyn Cottage Nedge Hill, Chewton Mendip, Radstock, Somerset, BA3 4LP.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

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.

Income tax

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

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 10% straight line

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

Tangible assets

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

Leasehold Property	-	5% straight line
Plant & Machinery	-	10% reducing balance
Motor Vehicles	-	25% reducing balance
Equipment	-	15% reducing balance

Impairment of fixed assets

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. For the purposes of impairment testing, 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 largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

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 stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts 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.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

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 as a finance cost in profit or loss in the period it arises.

Financial instruments

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

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 as a finance cost in profit or loss in the period in which it arises.

4. Staff costs

The average number of persons employed by the company during the year amounted to 9 (2021: 9).

The aggregate employment costs incurred during the year were:

	2022	2021
		<i>(restated)</i>
	£	£
Wages and salaries	187,001	163,609
Social security costs	7,114	3,519
Other pension costs	1,795	1,372
	-----	-----
	195,910	168,500
	-----	-----

5. Intangible assets

	Goodwill
	£
Cost	
At 1st October 2021 (as restated) and 30th September 2022	12,765

Amortisation	
At 1st October 2021 and 30th September 2022	12,765

Carrying amount	
At 30th September 2022	–

At 30th September 2021	–

6. Tangible assets

	Leasehold property £	Plant and machinery £	Motor vehicles £	Equipment £	Total £
Cost					
At 1st October 2021 (as restated)	34,862	228,339	46,415	6,465	316,081
Additions	—	53,462	—	164	53,626
At 30th September 2022	34,862	281,801	46,415	6,629	369,707
Depreciation					
At 1st October 2021	10,603	107,166	14,065	1,680	133,514
Charge for the year	1,432	17,463	8,088	742	27,725
At 30th September 2022	12,035	124,629	22,153	2,422	161,239
Carrying amount					
At 30th September 2022	22,827	157,172	24,262	4,207	208,468
At 30th September 2021	24,259	121,173	32,350	4,785	182,567

7. Debtors

	2022 £	2021 (restated) £
Trade debtors	69,195	87,014
Other debtors	3,500	393,419
	72,695	480,433

8. Creditors: amounts falling due within one year

	2022 £	2021 (restated) £
Bank loans and overdrafts	—	53,355
Trade creditors	52,221	79,726
Corporation tax	—	8,027
Social security and other taxes	18,161	11,466
Bounce back loan	8,684	8,584
Other creditors	134,519	189,253
	213,585	350,411

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

	2022 £	2021 (restated) £
Bank loans and overdrafts	24,864	179,016
Other creditors	21,857	26,428
	46,721	205,444

10. Deferred tax

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

	2022	2021 <i>(restated)</i>
	£	£
Included in provisions	—	16,254

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

	2022	2021 <i>(restated)</i>
	£	£
Accelerated capital allowances	35,271	30,078
Unused tax losses	(35,271)	(13,824)
	—	16,254

11. Prior year adjustment

The entity transition from previous FRS105 to FRS102 1A. The transition date was 1 October 2020 and a new provision for deferred tax had to be introduced in the sum of £19,722 at that date which has the effect of reducing the retained reserves. In the comparative year ended 30 September 2021 the deferred tax provision was reduced by £3,468 down to £16,254. The effect on the retained reserves was to reduce them as at 30 September 2021 by £16,254.

12. Other financial commitments

The total amount of financial commitments, guarantees and contingencies that are not provided for is £78,375 (2021: £106,875).

13. Related party transactions

Control:- The company was under the control of Mr D R Addicott and Mrs E M Addicott throughout the current period. Mr D R Addicott is the managing director and sole shareholder. Transactions with the directors:- Under the terms of a business tenancy agreement the company pays rent of £4,800 per annum for the use of an industrial building to Mr D R Addicott During the year the directors made loans to the company. These loans are repayable on demand and, at the balance sheet date, amounted to £ 118,944 (2021 £164,782). Mr D R Addicott is a director and 50% shareholder in Warthog Machinery Ltd. During the year Dave Addicott Engineering Ltd made supplies to this company amounting to £182,340 (2021 £153,354). All of these supplies were invoiced on normal trading terms. There were no other transactions which are required to be disclosed under the Financial Reporting Standard FRS102 1A.

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