

Registered number: 06542437

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**BLUE SPARK HOLDINGS LIMITED**

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**FINANCIAL STATEMENTS**  
**INFORMATION FOR FILING WITH THE REGISTRAR**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**



BLUE SPARK HOLDINGS LIMITED  
REGISTERED NUMBER: 06542437

CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2019

|                                                         | Note | 2019<br>£        | 2018<br>£        |
|---------------------------------------------------------|------|------------------|------------------|
| <b>Fixed assets</b>                                     |      |                  |                  |
| Intangible assets                                       |      | 388,746          | 460,709          |
| Tangible assets                                         | 3    | 531,527          | 362,022          |
|                                                         |      | <u>920,273</u>   | <u>822,731</u>   |
| <b>Current assets</b>                                   |      |                  |                  |
| Stocks                                                  |      | 119,335          | 103,584          |
| Debtors: amounts falling due within one year            | 5    | 743,087          | 881,994          |
| Cash at bank and in hand                                | 6    | 201,871          | 307,749          |
|                                                         |      | <u>1,064,293</u> | <u>1,293,327</u> |
| Creditors: amounts falling due within one year          | 7    | (499,073)        | (734,227)        |
| <b>Net current assets</b>                               |      | <u>565,220</u>   | <u>559,100</u>   |
| <b>Total assets less current liabilities</b>            |      | <u>1,485,493</u> | <u>1,381,831</u> |
| Creditors: amounts falling due after more than one year | 8    | (269,104)        | (100,518)        |
| <b>Provisions for liabilities</b>                       |      |                  |                  |
| Deferred taxation                                       | 9    | (80,243)         | (51,610)         |
|                                                         |      | <u>(80,243)</u>  | <u>(51,610)</u>  |
| <b>Net assets</b>                                       |      | <u>1,136,146</u> | <u>1,229,703</u> |
| <b>Capital and reserves</b>                             |      |                  |                  |
| Called up share capital                                 |      | 150,000          | 150,000          |
| Profit and loss account                                 |      | 986,146          | 1,079,703        |
|                                                         |      | <u>1,136,146</u> | <u>1,229,703</u> |

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**BLUE SPARK HOLDINGS LIMITED**  
**REGISTERED NUMBER: 06542437**

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**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2019**

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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 consolidated 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 7 December 2020.



**Paul Wardleworth**  
Director

The notes on pages 4 to 14 form part of these financial statements.

**BLUE SPARK HOLDINGS LIMITED**  
**REGISTERED NUMBER: 06542437**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

|                                                | Note | 2019<br>£          | 2018<br>£          |
|------------------------------------------------|------|--------------------|--------------------|
| <b>Fixed assets</b>                            |      |                    |                    |
| Investments                                    | 4    | 2,194,559          | 2,194,559          |
| <b>Current assets</b>                          |      |                    |                    |
| Cash at bank and in hand                       | 6    | 23,593             | 25,724             |
| Creditors: amounts falling due within one year | 7    | (1,995,530)        | (1,887,155)        |
| <b>Net current liabilities</b>                 |      | <b>(1,971,937)</b> | <b>(1,861,431)</b> |
| <b>Total assets less current liabilities</b>   |      | <b>222,622</b>     | <b>333,128</b>     |
| <b>Net assets</b>                              |      | <b>222,622</b>     | <b>333,128</b>     |
| <b>Capital and reserves</b>                    |      |                    |                    |
| Called up share capital                        |      | 150,000            | 150,000            |
| Profit and loss account                        |      | 72,622             | 183,128            |
|                                                |      | <b>222,622</b>     | <b>333,128</b>     |

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

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 consolidated 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 7 December 2020.

**Paul Wardleworth**  
Director

The notes on pages 4 to 14 form part of these financial statements.

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## BLUE SPARK HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1. General information

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

The registered office address is;  
Unit 7, Rosewood Park  
St James' Road  
Blackburn  
Lancashire  
BB1 8ET

The principal activity of the company is operating as a holding company.

The principal activity of the Group is manufacture of precision machined parts for Aerospace and Defence, Automotive, Chemical, Nuclear and General Engineering industries.

#### 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 Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2016.

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## BLUE SPARK HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.3 Going concern

At the time of approval of the financial statements, the COVID19 situation continues to develop and has been designated a global pandemic by the World Health Organisation. The government has requested that non-essential business travel does not take place and social distancing should continue.

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 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. However, given that the Group has successfully negotiated the first months of restrictions they consider that it is well placed to deal with the challenges ahead.

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, recent developments with regard to COVID19 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.

##### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group 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.

##### 2.5 Operating leases: the Group as lessor

Rentals income from operating leases is credited to profit or loss on a straight line basis over the term of the relevant lease.

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**BLUE SPARK HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.6 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 Consolidated statement of comprehensive income in the same period as the related expenditure.

**2.7 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.8 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.

**2.9 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Group in independently administered funds.

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## BLUE SPARK HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.10 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- ~~Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.~~

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.

##### 2.11 Intangible assets

###### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

###### Other 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.

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BLUE SPARK HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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2. Accounting policies (continued)

2.12 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 leasehold improvements | - 20%    |
| Plant & machinery            | - 10-20% |
| Motor vehicles               | - 20%    |
| Fixtures & 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.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 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.

2.15 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.

2.16 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.

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BLUE SPARK HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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2. Accounting policies (continued)

2.17 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.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Group 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.

2.19 Financial instruments

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The Group 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 Group would receive for the asset if it were to be sold at the balance sheet date.

2.20 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.

BLUE SPARK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

3. Tangible fixed assets

Group

|                                     | S/Term<br>Leasehold<br>Property<br>£ | Plant &<br>machinery<br>£ | Motor<br>vehicles<br>£ | Fixtures &<br>fittings<br>£ | Total<br>£ |
|-------------------------------------|--------------------------------------|---------------------------|------------------------|-----------------------------|------------|
| <b>Cost or valuation</b>            |                                      |                           |                        |                             |            |
| At 1 January 2019                   | 29,850                               | 1,977,595                 | 32,990                 | 66,644                      | 2,107,079  |
| Additions                           | 18,914                               | 255,960                   | -                      | 23,524                      | 298,398    |
| At 31 December 2019                 | 48,764                               | 2,233,555                 | 32,990                 | 90,168                      | 2,405,477  |
| <b>Depreciation</b>                 |                                      |                           |                        |                             |            |
| At 1 January 2019                   | 24,624                               | 1,647,786                 | 23,393                 | 49,254                      | 1,745,057  |
| Charge for the year on owned assets | 2,775                                | 117,021                   | 3,199                  | 5,898                       | 128,893    |
| At 31 December 2019                 | 27,399                               | 1,764,807                 | 26,592                 | 55,152                      | 1,873,950  |
| <b>Net book value</b>               |                                      |                           |                        |                             |            |
| At 31 December 2019                 | 21,365                               | 468,748                   | 6,398                  | 35,016                      | 531,527    |
| At 31 December 2018                 | 5,226                                | 329,809                   | 9,597                  | 17,390                      | 362,022    |

The net book value of land and buildings may be further analysed as follows:

|                 | 2019<br>£ | 2018<br>£ |
|-----------------|-----------|-----------|
| Short leasehold | 21,365    | 5,226     |

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

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BLUE SPARK HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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4. Fixed asset investments

Company

|                     | Investments<br>in<br>subsidiary<br>companies<br>£ |
|---------------------|---------------------------------------------------|
| Cost or valuation   |                                                   |
| At 1 January 2019   | 2,194,559                                         |
| At 31 December 2019 | <u>2,194,559</u>                                  |

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

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| Name                                | Registered office | Class of<br>shares | Holding |
|-------------------------------------|-------------------|--------------------|---------|
| Precision Parts Engineering Limited | England           | Ordinary           | 100%    |

The principal activity of the subsidiary was the manufacture of precision machined parts.

BLUE SPARK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

5. Debtors

|                                | Group<br>2019<br>£ | Group<br>2018<br>£ |
|--------------------------------|--------------------|--------------------|
| Trade debtors                  | 736,206            | 871,044            |
| Prepayments and accrued income | 6,881              | 10,950             |
|                                | <u>743,087</u>     | <u>881,994</u>     |

6. Cash and cash equivalents

|                          | Group<br>2019<br>£ | Group<br>2018<br>£ | Company<br>2019<br>£ | Company<br>2018<br>£ |
|--------------------------|--------------------|--------------------|----------------------|----------------------|
| Cash at bank and in hand | <u>201,871</u>     | <u>307,749</u>     | <u>23,593</u>        | <u>25,724</u>        |

7. Creditors: Amounts falling due within one year

|                                                             | Group<br>2019<br>£ | Group<br>2018<br>£ | Company<br>2019<br>£ | Company<br>2018<br>£ |
|-------------------------------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Trade creditors                                             | 212,806            | 339,044            | -                    | -                    |
| Amounts owed to group undertakings                          | -                  | -                  | 1,974,538            | 1,867,248            |
| Corporation tax                                             | -                  | 25,216             | -                    | -                    |
| Other taxation and social security                          | 73,011             | 37,776             | -                    | -                    |
| Obligations under finance lease and hire purchase contracts | 98,195             | 168,195            | -                    | -                    |
| Other creditors                                             | 25,166             | 22,596             | 20,992               | 19,907               |
| Accruals and deferred income                                | 89,895             | 141,400            | -                    | -                    |
|                                                             | <u>499,073</u>     | <u>734,227</u>     | <u>1,995,530</u>     | <u>1,887,155</u>     |

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**BLUE SPARK HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**8. Creditors: Amounts falling due after more than one year**

|                                                                  | <b>Group<br/>2019<br/>£</b> | <i>Group<br/>2018<br/>£</i> |
|------------------------------------------------------------------|-----------------------------|-----------------------------|
| Net obligations under finance leases and hire purchase contracts | 269,104                     | 98,618                      |
| Accruals and deferred income                                     | -                           | 1,900                       |
|                                                                  | <u>269,104</u>              | <u>100,518</u>              |

**Secured loans**

Obligations under finance leases and hire purchase contracts are secured upon the assets to which they relate.

**9. Deferred taxation**

**Group**

|                           | <b>2019<br/>£</b>      |
|---------------------------|------------------------|
| At beginning of year      | (51,610)               |
| Charged to profit or loss | (28,633)               |
| <b>At end of year</b>     | <u><b>(80,243)</b></u> |

  

|                                | <b>Group<br/>2019<br/>£</b> | <i>Group<br/>2018<br/>£</i> |
|--------------------------------|-----------------------------|-----------------------------|
| Accelerated capital allowances | (84,017)                    | (51,839)                    |
| Tax losses carried forward     | 3,419                       | -                           |
| Short term timing differences  | 355                         | 229                         |
|                                | <u>(80,243)</u>             | <u>(51,610)</u>             |

**10. Controlling party**

The ultimate controlling parties are the directors.

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**BLUE SPARK HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**11. Auditors' information**

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified.

The audit report was signed on 7 December 2020 by Michael Jayson (Senior statutory auditor) on behalf of Crowe U.K. LLP.