

**DFC PRECISION ENGINEERING LTD**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

**DFC PRECISION ENGINEERING LTD**  
**REGISTERED NUMBER: 07740264**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	4	84,250	88,048
		<u>84,250</u>	<u>88,048</u>
<b>Current assets</b>			
Stocks	5	1,500	1,750
Debtors: amounts falling due within one year	6	5,263	19,421
Cash at bank and in hand		44,179	45,148
		<u>50,942</u>	<u>66,319</u>
Creditors: amounts falling due within one year	7	(56,755)	(55,125)
<b>Net current (liabilities)/assets</b>		<u>(5,813)</u>	<u>11,194</u>
<b>Total assets less current liabilities</b>		<u>78,437</u>	<u>99,242</u>
Creditors: amounts falling due after more than one year	8	(52,660)	(57,633)
<b>Provisions for liabilities</b>			
Deferred tax	10	(16,008)	(16,705)
		<u>(16,008)</u>	<u>(16,705)</u>
<b>Net assets</b>		<u><u>9,769</u></u>	<u><u>24,904</u></u>
<b>Capital and reserves</b>			
Called up share capital		2	2
Profit and loss account		9,767	24,902
		<u><u>9,769</u></u>	<u><u>24,904</u></u>

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 30 SEPTEMBER 2021**

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The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 income statement 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 by:

.....  
**D F Cosburn**  
**Director**

Date: 7 June 2022

The notes on pages 3 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**1. General information**

DFC Precision Engineering Limited is a private company limited by shares and incorporated in England and Wales, registration number 07740264. The registered office is 2c Gilray Road, Diss, Norfolk, IP22 4EU.

**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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

**2.2 Going concern**

The Director has considered the Company's position at the time of signing the financial statements, and in particular the ongoing issues caused by Covid-19 and its potential impact on the Company and the wider economy. The Director has considered future trading expectations, the current financial position of the Company, and other factors such as the range of measures the Director has available to mitigate ongoing costs should they need to and the support being offered by the UK government.

Based on this, the Director has concluded that they have a reasonable expectation that the Company will have adequate resources to continue in operational existence for at least twelve months from the date of signing these financial statements, they therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

**2.3 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

**Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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**2. Accounting policies (continued)**

**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.

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.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 October 2019 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**2.5 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 Income Statement in the same period as the related expenditure.

**2.6 Interest income**

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

**2.7 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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**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 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 reporting 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.

**2.9 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, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	25%
Motor vehicles	-	25%

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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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**2. Accounting policies (continued)**

**2.10 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 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.

**2.11 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.

**2.12 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.

**2.13 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.

**2.14 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 reporting 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 Statement of Financial Position.

**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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

3. Employees

The average monthly number of employees, including directors, during the year was 1 (2020 - 1).

4. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>			
At 1 October 2020	260,907	16,795	277,702
Additions	2,600	27,000	29,600
Disposals	-	(16,795)	(16,795)
At 30 September 2021	263,507	27,000	290,507
<b>Depreciation</b>			
At 1 October 2020	178,173	11,481	189,654
Charge for the year on owned assets	5,628	-	5,628
Charge for the year on financed assets	15,706	6,750	22,456
Disposals	-	(11,481)	(11,481)
At 30 September 2021	199,507	6,750	206,257
<b>Net book value</b>			
At 30 September 2021	64,000	20,250	84,250
<b>At 30 September 2020</b>	82,734	5,314	88,048

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

	2021 £	2020 £
Plant and machinery	47,177	62,823
Motor vehicles	20,250	5,314
	67,427	68,137



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

5. Stocks

	2021 £	2020 £
Raw materials and consumables	1,500	1,750
	<u>1,500</u>	<u>1,750</u>

6. Debtors

	2021 £	2020 £
Trade debtors	4,709	18,867
Other debtors	60	60
Prepayments and accrued income	494	494
	<u>5,263</u>	<u>19,421</u>

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	2,123	688
Corporation tax	8,050	14,139
Other taxation and social security	745	6,899
Obligations under finance lease and hire purchase contracts	27,362	23,503
Other creditors	17,329	8,816
Accruals and deferred income	1,146	1,080
	<u>56,755</u>	<u>55,125</u>

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

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	52,660	57,633
	<u>52,660</u>	<u>57,633</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

9. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	27,362	23,502
Between 1-5 years	52,660	57,634
	<u>80,022</u>	<u>81,136</u>

10. Deferred taxation

	2021 £	2020 £
At beginning of year	(16,705)	(15,279)
Charged to profit or loss	697	(1,426)
<b>At end of year</b>	<u>(16,008)</u>	<u>(16,705)</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(16,008)	(16,705)
	<u>(16,008)</u>	<u>(16,705)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.