

PAK ENGINEERING GROUP LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Bessler Hendrie LLP
Chartered Accountants
Ashbourne House
The Guildway
Old Portsmouth Road
Guildford
Surrey
GU3 1LR

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for the year ended 31 December 2020

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DIRECTORS:

G Levy
G Calder

REGISTERED OFFICE:

Unit 2B
Snetterton Park
Harling Road
Norfolk
Norwich
NR16 2JU

REGISTERED NUMBER:

09120033 (England and Wales)

ACCOUNTANTS:

Bessler Hendrie LLP
Chartered Accountants
Ashbourne House
The Guildway
Old Portsmouth Road
Guildford
Surrey
GU3 1LR

BALANCE SHEET
31 December 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	4	-	769
Investments	5	94	94
		<u>94</u>	<u>863</u>
CURRENT ASSETS			
Debtors	6	9,895,904	7,504,408
Cash at bank		285,943	278,131
		<u>10,181,847</u>	<u>7,782,539</u>
CREDITORS			
Amounts falling due within one year	7	(334,477)	(377,646)
NET CURRENT ASSETS		<u>9,847,370</u>	<u>7,404,893</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,847,464</u>	<u>7,405,756</u>
CREDITORS			
Amounts falling due after more than one year	8	(10,099,993)	(7,651,523)
NET LIABILITIES		<u>(252,529)</u>	<u>(245,767)</u>
CAPITAL AND RESERVES			
Called up share capital		1	1
Retained earnings		(252,530)	(245,768)
SHAREHOLDERS' FUNDS		<u>(252,529)</u>	<u>(245,767)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

BALANCE SHEET - continued
31 December 2020

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

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2021 and were signed on its behalf by:

G Levy - Director

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

1. STATUTORY INFORMATION

Pak Engineering Group Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern basis

The financial statements have been prepared on a going concern basis as the directors' are confident that cash flow injections can be obtained in order to ensure third party liabilities can be settled as they fall due and manage the disruption caused by the global pandemic.

Preparation of consolidated financial statements

The financial statements contain information about Pak Engineering Group Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Significant judgements and estimates

The directors have considered the criteria for the recognition of revenue from the supply of services set out in FRS 102. In particular, whether the company can estimate the amount of revenue, that it is probable that the economic benefits associated with the transaction will flow to the company and the stage of completion can be measured reliably.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is generated from management recharges, plus associated costs, to subsidiary undertakings and is recognised when the right to receive consideration for the services rendered falls due.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.
Plant and machinery etc - 33% on cost

Government grants

Government grants relate to grants receivable under the Coronavirus Job Retention Scheme and are accounted for under the accruals model. Grants relating to revenue are recognised in income on a systematic basis over the period in which the entity recognises the related costs for which the grant is intended to compensate.

Investments in subsidiaries

Investments held as fixed assets are stated at cost less any provision for impairment.

Assets are reviewed at each year end for any indications of impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount in accordance with FRS 102. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Financial instruments

Financial instruments are classified by the directors as basic or non-basic following the conditions in FRS 102 Section 11. Basic financial instruments are recognised at amortised cost using the effective interest method. The company has no non-basic financial instruments.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 3 (2019 - 3) .

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 January 2020	2,404
Disposals	<u>(1,216)</u>
At 31 December 2020	<u>1,188</u>
DEPRECIATION	
At 1 January 2020	1,635
Charge for year	769
Eliminated on disposal	<u>(1,216)</u>
At 31 December 2020	<u>1,188</u>
NET BOOK VALUE	
At 31 December 2020	-
At 31 December 2019	<u>769</u>

5. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2020 and 31 December 2020	<u>94</u>
NET BOOK VALUE	
At 31 December 2020	<u>94</u>
At 31 December 2019	<u>94</u>

The directors have assessed the recoverable amounts of the investments at the balance sheet date as being more than their carrying value.

6. DEBTORS

	2020 £	2019 £
Amounts falling due within one year:		
Amounts owed by group undertakings	1,911,404	1,759,326
Other debtors	<u>102,994</u>	<u>103,802</u>
	<u>2,014,398</u>	<u>1,863,128</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020

6. DEBTORS - continued

	2020 £	2019 £
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>7,881,506</u>	<u>5,641,280</u>
Aggregate amounts	<u>9,895,904</u>	<u>7,504,408</u>

After the year end the company has received an amount of £1.7m from group undertakings due within one year. The company has in exchange advanced a long-term loan to the direct subsidiary on similar terms to other group entities.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	1,905	114,698
Taxation and social security	326,482	254,395
Other creditors	<u>6,090</u>	<u>8,553</u>
	<u>334,477</u>	<u>377,646</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Other creditors	<u>10,099,993</u>	<u>7,651,523</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Other loans	<u>9,435,962</u>	<u>7,651,523</u>
Repayable by instalments		
Other loans more 5yrs instal	<u>509,719</u>	<u>-</u>

Other loans relate to a series of loans due to a third party which are individually repayable after 5 years. Under the terms of the loans quarterly interest payments are payable.

9. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. Contributions totalling £16,089 (2019: £12,198) were paid into the fund during the year. At the year end contributions totalling £593 (2019: £791) were still outstanding and are shown within other creditors.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020

10. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

At the start of the year a balance of £4,058 had been advanced to the director on account of incurring business expenses. During the year further small, monthly periodic cash advances were made in advance of matched monthly periodic expenditure being incurred. The sum of the monthly periodic advances over the year was £16,566 and the sum of the matched monthly periodic business expenditure was £15,371. Interest totalling £390 was incurred on this amount leaving a balance of £5,643 due to the company at the year end. These advances are made with 2.5% interest, and the amounts are repayable on demand.

11. RELATED PARTY DISCLOSURES

Included in debtors amounts falling due after more than one year are amounts due from direct subsidiaries of £7,881,506 (2019: £5,641,280). These amounts are subject to a loan agreement and are interest bearing.

Included in debtors amounts falling due within one year are amounts due from direct subsidiaries of £1,835,900 (2019: £1,683,822) and amounts due from other group undertakings amounting to £75,504 (2019: £75,504). These amounts are due on demand and no interest is charged.

All the day to day trading between the companies are being conducted under normal market conditions.

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
PAK ENGINEERING GROUP LTD**

The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Pak Engineering Group Ltd for the year ended 31 December 2020 which comprise the Profit and Loss Account, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Pak Engineering Group Ltd, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Pak Engineering Group Ltd and state those matters that we have agreed to state to the Board of Directors of Pak Engineering Group Ltd, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Pak Engineering Group Ltd and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Pak Engineering Group Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Pak Engineering Group Ltd. You consider that Pak Engineering Group Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Pak Engineering Group Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

This report should not be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against Bessler Hendrie LLP for any purpose or in any context. Any party, other than the Directors, who obtain access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk.

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30 September 2021

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.