

Preheat Engineering Limited

Unaudited Filleted Financial Statements
for the Year Ended 31 March 2023

Sterling Grove Accountants Limited
Chartered Certified Accountants
Fawley House
2 Regatta Place
Marlow Road
Bourne End
Bucks
SL8 5TD

Contents

Company Information	<u>1</u>
Balance Sheet	<u>2</u> to <u>3</u>
Notes to the Unaudited Financial Statements	<u>4</u> to <u>10</u>

Company Information

Director	Mr S Gristwood
Registered office	Unit A2 Deseronto Trading Estate St Mary's Road Langley Berks SL3 7EW
Accountants	Sterling Grove Accountants Limited Chartered Certified Accountants Fawley House 2 Regatta Place Marlow Road Bourne End Bucks SL8 5TD

(Registration number: 09430590)
Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	<u>5</u>	587,090	585,061
Current assets			
Stocks	<u>6</u>	121,197	186,208
Debtors	<u>7</u>	122,733	121,884
Cash at bank and in hand		37,966	51,671
		281,896	359,763
Creditors: Amounts falling due within one year	<u>8</u>	(142,360)	(191,227)
Net current assets		139,536	168,536
Total assets less current liabilities		726,626	753,597
Creditors: Amounts falling due after more than one year	<u>8</u>	(551,116)	(551,324)
Net assets		175,510	202,273
Capital and reserves			
Called up share capital		99	99
Retained earnings		175,411	202,174
Shareholders' funds		175,510	202,273

For the financial year ending 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. As permitted by section 444 (5A) of the Companies Act 2006, the director has not delivered to the registrar a copy of the Profit and Loss Account.

Approved and authorised by the director on 18 September 2023

(Registration number: 09430590)
Balance Sheet as at 31 March 2023

.....
Mr S Gristwood
Director

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Unit A2
Deseronto Trading Estate
St Mary's Road
Langley
Berks
SL3 7EW

These financial statements were authorised for issue by the director on 18 September 2023.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

The financial statements have been prepared on a going concern basis.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

Government grants

Government grants are recognised under the accrual model of grant recognition. This model requires the grant to be classified as either a revenue-based grant or a capital-based grant.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises expenses for the related costs for which the grants are intended to compensate.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023

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 taxable income.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures, fittings and equipment	20% straight line
Land and buildings	2% straight line
Motor vehicles	25% straight line
Computer Equipment	25% straight line

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Over 5 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 8 (2022 - 8).

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 April 2022	<u>162,600</u>	<u>162,600</u>
At 31 March 2023	<u>162,600</u>	<u>162,600</u>
Amortisation		
At 1 April 2022	<u>162,600</u>	<u>162,600</u>
At 31 March 2023	<u>162,600</u>	<u>162,600</u>
Carrying amount		
At 31 March 2023	<u><u>-</u></u>	<u><u>-</u></u>

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2022	585,595	36,916	4,633	627,144
Additions	-	18,215	-	18,215
At 31 March 2023	585,595	55,131	4,633	645,359
Depreciation				
At 1 April 2022	11,712	25,739	4,632	42,083
Charge for the year	11,712	4,474	-	16,186
At 31 March 2023	23,424	30,213	4,632	58,269
Carrying amount				
At 31 March 2023	562,171	24,918	1	587,090
At 31 March 2022	573,883	11,177	1	585,061

Included within the net book value of land and buildings above is £562,171 (2022 - £573,883) in respect of freehold land and buildings.

6 Stocks

	2023 £	2022 £
Other inventories	121,197	186,208

7 Debtors

	2023 £	2022 £
Current		
Trade debtors	122,733	121,674
Other debtors	-	210
	122,733	121,884

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023

8 Creditors

Creditors: amounts falling due within one year

	Note	2023 £	2022 £
Due within one year			
Bank loans and overdrafts	<u>9</u>	32,012	36,640
Trade creditors		27,502	58,929
Amounts owed to related parties		43,870	43,420
Taxation and social security		22,727	17,804
Other creditors		13,349	5,234
Corporation tax		2,900	29,200
		<u>142,360</u>	<u>191,227</u>

Creditors: amounts falling due after more than one year

	Note	2023 £	2022 £
Due after one year			
Loans and borrowings	<u>9</u>	<u>551,116</u>	<u>551,324</u>

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023

9 Loans and borrowings

	2023 £	2022 £
Non-current loans and borrowings		
Bank borrowings	551,116	551,324

	2023 £	2022 £
Current loans and borrowings		
Bank borrowings	32,012	36,640

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.