Registered number
SC093877

Precision Tooling Services Limited

Report and Accounts

31 December 2020

Precision Tooling Services Limited

Report and accounts

Contents

Precision Tooling Services Limited
Company Information

Directors

D Armour

P Currie

B Taggart

G Brese

Auditors

John Kerr & Company CA

32a Hamilton Street

Saltcoats

North Ayrshire

KA21 5DS

Registered office

10 Spirit Aero Systems

Prestwick International Airport

Prestwick

Ayrshire

KA9 2RW

Registered number

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Precision Tooling Services Limited

Registered number: SC093877

Directors' Report

The directors present their report and accounts for the year ended 31 December 2020.

Principal activities

The company's principal activity during the year continued to be that of precision engineering.

Directors

The following persons served as directors during the year:

D Armour

P Currie

B Taggart

G Brese

Going concern

The directors have assessed the availabilty of working capital for a period of at least 12 months from the date of this report and have concluded that the company has sufficient available capital to ensure continuing payment of all liabilities as they fall due. These accounts are therefore prepared on a going concern basis.

Directors' responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware

of that information.

Small company provisions

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board on 1 August 2022 and signed on its behalf.

Peter Currie
Director

Precision Tooling Services Limited

Independent auditor's report

to the member of Precision Tooling Services Limited

Opinion

We have audited the financial statements of Precision Tooling Services Limited (the 'company') for the year ended 31 December 2020 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations was as follows ;

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations ;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the construction industry sector
- we focussed on specific laws and reguklations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, UK tax legislation, data protection, anti-bribery, employment, environmental and health and safety legislation
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibilty of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by ;

- making enquiries of management as to where they considered there was a susceptibility to fraud, their knowledge of actual, suspected and alleged fraud ;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations

To address the risk of fraud through management bias and override of controls, we :

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias ;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to :

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence and certification by regulators (Health & Safety) and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Description of the auditor's responsibilities for the audit of the financial statements

The auditor's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes the auditor's opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (UK) (ISAs (UK)) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the entity's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opiniion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the overide of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Conclude on the appropriateness of the directors' sue of the going concern basis of accounting and, based on the evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based upon audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Bruce Fairgrieve BSc, CA
(Senior Statutory Auditor)
for and on behalf of
John Kerr & Company CA
Statutory Auditor

32a Hamilton Street
Saltcoats
North Ayrshire
KA21 5DS

01 August 2022

Precision Tooling Services Limited

Profit and Loss Account

for the year ended 31 December 2020

	2020	2019
	£	£
Turnover	3,961,011	6,076,353
Cost of sales	(3,117,977)	(4,451,184)
Gross profit	843,034	1,625,169
Distribution costs	-	(33,290)
Administrative expenses	(1,444,337)	(1,564,737)
Other operating income	725,131	17,482
Operating profit	123,828	44,624
Profit on the disposal of tangible fixed assets	6,464	4,200
Interest receivable	32	132
Interest payable	(7,980)	(23,853)
Profit before taxation	122,344	25,103
Tax on profit	46,332	52,431
Profit for the financial year	168,676	77,534

Precision Tooling Services Limited

Registered number: SC093877

Balance Sheet

as at 31 December 2020

	Notes		2020		2019
			£		£
Fixed assets					
Tangible assets	4		1,614,145		1,971,125
Current assets					
Stocks		70,763		226,157	
Debtors	5	2,552,551		2,293,388	
Cash at bank and in hand		89,018		71,005	
		2,712,332		2,590,550	
Creditors: amounts falling due within one year	6	(505,910)		(895,191)	
Net current assets			2,206,422		1,695,359
Total assets less current liabilities			3,820,567		3,666,484
Creditors: amounts falling due after more than one year	7		(59,000)		(27,261)
Provisions for liabilities			(206,918)		(253,250)
Net assets			3,554,649		3,385,973
Capital and reserves					
Called up share capital			10,000		10,000
Profit and loss account			3,544,649		3,375,973
Shareholder's funds			3,554,649		3,385,973

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.

Peter Currie

Director

Approved by the board on 1 August 2022

Precision Tooling Services Limited

Statement of Changes in Equity

for the year ended 31 December 2020

	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2019	10,000	3,298,439	3,308,439
Profit for the financial year		77,534	77,534
At 31 December 2019	10,000	3,375,973	3,385,973
At 1 January 2020	10,000	3,375,973	3,385,973
Profit for the financial year		168,676	168,676
At 31 December 2020	10,000	3,544,649	3,554,649

Precision Tooling Services Limited

Notes to the Accounts

for the year ended 31 December 2020

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer ie on despatch to the customer.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	over 25 years
Plant and machinery, fixtures and fittings	over 10 years
Tools and computer software	over 5 years
Motor vehicles	over 4 years
Computer equipment	over 3 years

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

Grant Income

Grants received are recognised immediately in the profit and loss account when the company has agreed their entitlement to the grant and has certainty of the amount to be recognised.

Grants related to the purchase of fixed assets are deferred and released to the profit and loss account at the same rate as the depreciation charge on those assets.

All grants are recognised on an accruals basis.

2 Critical accounting estimates and judgements

The directors use their own industry knowledge in arriving at the value of recoverable debtors, and any impairment for recovery thereof. Any change in the directors' estimate of recoverable amounts is recognised in the year of such change.

3 Employees	2020	2019
	Number	Number

Average number of persons employed by the company	90	115

4 Tangible fixed assets

	Leasehold Improvements	Plant and machinery etc	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2020	48,983	3,349,353	29,764	3,428,100
Additions	18,784	4,732	-	23,516
Disposals	(31,000)	-	(22,361)	(53,361)
At 31 December 2020	36,767	3,354,085	7,403	3,398,255
Depreciation				
At 1 January 2020	11,419	1,429,450	16,106	1,456,975
Charge for the year	642	340,013	3,410	344,065
On disposals	(4,817)	-	(12,113)	(16,930)
At 31 December 2020	7,244	1,769,463	7,403	1,784,110
Net book value				
At 31 December 2020	29,523	1,584,622	-	1,614,145
At 31 December 2019	37,564	1,919,903	13,658	1,971,125

5 Debtors

	2020	2019
	£	£
Trade debtors	290,969	415,907
Amounts owed by group undertakings and undertakings in which the company has a participating interest	2,183,450	1,850,692
Other debtors	78,132	26,789
	2,552,551	2,293,388

6 Creditors: amounts falling due within one year

	2020	2019
	£	£
Invoice financing advances	100,800	115,468
Obligations under finance lease and hire purchase contracts	57,416	110,956
Trade creditors	137,370	374,453
Taxation and social security costs	133,923	195,521
Other creditors	76,401	98,793
	505,910	895,191

7 Creditors: amounts falling due after one year

	2020	2019
	£	£

Obligations under finance lease and hire purchase contracts	-	27,261
Other creditors	59,000	-
	59,000	27,261

Secured bank facilities

The company utilises an invoice finance facility with the company bankers. Under this agreement the liability to the bank is secured against the underlying financed debtor values.

8 Related party transactions

The company has paid Crofthead Partners accountancy fees in the period of £17,000 (2019: £24,825) a company registered in Scotland and in which Mr D Armour is a director and majority shareholder.

The company has not disclosed transactions with other group companies as allowed by CA2006, S410 (as amended).

9 Other information

Precision Tooling Services Limited is a private company limited by shares and incorporated in Scotland. Its registered office is:

10 Spirit Aero Systems

Prestwick International Airport

Prestwick

Ayrshire

KA9 2RW

10 Presentation currency

The financial statements are presented in Sterling.

11 Legal form of entity and country of incorporation

Precision Tooling Services Limited is a private company limited by shares and incorporated in Scotland.

12 Controlling party

The company is a wholly owned subsidiary of AG Concepts Ltd. The ultimate holding company is Precision Toolings & Castings Limited, a company incorporated in Scotland.

There is no overall single controlling party.

13 Grant Incomes

During the year the company received Covid related grants and assistances totalling £725,131. This level of income would not be expected to reoccur in future years.