

AMENDING

Registered number
SC093877

PRECISION TOOLING SERVICES LIMITED

Report and Accounts

31 December 2021

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PRECISION TOOLING SERVICES LIMITED
Report and accounts
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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 Europe Ltd

Prestwick International Airport

Prestwick

Ayrshire

KA92RW

Registered number

SC093877

PRECISION TOOLING SERVICES LIMITED**Registered number: SC093877****Directors' Report**

The directors present their report and accounts for the year ended 31 December 2021.

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

Results Commentary

During the year the company took delivery of new CNC grinding machines as part of an ongoing investment programme. Designed to increase productivity and decrease production costs, these machines also give the company the scope to manufacture more complex components with special configurations in difficult to machine alloys and composites. In doing so, it strengthens our capabilities to engage and work with new customers such as the larger OEMs in Automotive, Aerospace, Nuclear and Medical markets. The company has an extensive and robust track record of supplying to Tier 1 and OEMs and our ISO accredited continuous improvement strategy supports increased opportunities within our existing and emerging client base.

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:

PRECISION TOOLING SERVICES LIMITED

Registered number: SC093877

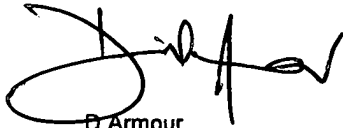
Directors' Report

- 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 28 December 2023 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'D Armour', with a large loop at the start and a checkmark-like flourish at the end.

D Armour
Director

Independent Auditor's Report to the Members of Precision Tooling Services Limited

Qualified Opinion

We have audited the financial statements of Precision Tooling Services Limited (the 'company') for the year ended 31st December 2021 which comprise the Profit and Loss Account, the Balance Sheet, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2021, and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

We did not observe the counting of physical inventories at the year end. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 31 December 2021, which are included in the Balance Sheet at £314,561, by using other audit procedures. Consequently, we were unable to determine whether any adjustment to this amount was necessary.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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.

As described in the basis for qualified audit opinion section of our report we were unable to satisfy ourselves concerning the inventory quantities of £314,561 held at 31 December 2021. We have concluded that where the other information refers to the inventory balance or related balances such as expenditure, it may be materially misstated for the same reason.

Independent Auditor's Report to the Members of Precision Tooling Services Limited

Opinions on other matters prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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

Except for the matter described in the basis for qualified opinion section of our report, 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.

Arising solely from the limitation on the scope of our work relating to inventory, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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 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:

Explanation as to what extent the audit was considered capable of detecting irregularities, 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 regulations 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, antibribery, employment, environmental and health and safety legislation;

Independent Auditor's Report to the Members of Precision Tooling Services Limited

- 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 susceptibility 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

- Identify and assess the risks of material misstatement of the 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit 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 on the 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 (ie. 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.

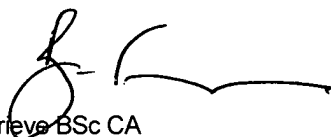
Independent Auditor's Report to the Members of Precision Tooling Services Limited

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.



B Fairgrieve BSc CA

(Senior Statutory Auditor)

For and on behalf of John Kerr & Company CA

Statutory Auditor

28th December 2023

32a Hamilton Street, Saltcoats, North Ayrshire, KA21 5DS

PRECISION TOOLING SERVICES LIMITED
Profit and Loss Account
for the year ended 31 December 2021

	2021 £	2020 £
Turnover	5,569,845	3,961,011
Cost of sales	(3,477,385)	(3,117,977)
Gross profit	<u>2,092,460</u>	<u>843,034</u>
Administrative expenses	(1,632,298)	(1,444,337)
Other operating income	126,531	725,131
Operating profit	<u>586,693</u>	<u>123,828</u>
(Loss)/profit on the disposal of tangible fixed assets	(4,789)	6,464
Interest receivable	-	32
Interest payable	(8,929)	(7,980)
Profit before taxation	<u>572,975</u>	<u>122,344</u>
Tax on profit	306,702	46,332
Profit for the financial year	<u>879,677</u>	<u>168,676</u>

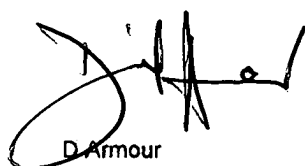
PRECISION TOOLING SERVICES LIMITED
Statement of comprehensive income
for the year ended 31 December 2021

	2021	2020
	£	£
Profit for the financial year	879,677	168,676
Other comprehensive income		
Total comprehensive income for the year	<u>879,677</u>	<u>168,676</u>

PRECISION TOOLING SERVICES LIMITED
Registered number: SC093877
Balance Sheet
as at 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	4	1,519,828	1,614,144
Current assets			
Stocks		200,737	70,763
Debtors	5	3,350,757	2,552,552
Cash at bank and in hand		15,874	89,018
		<u>3,567,168</u>	<u>2,712,333</u>
Creditors: amounts falling due within one year	6	(554,567)	(505,910)
Net current assets		<u>3,012,601</u>	<u>2,206,423</u>
Total assets less current liabilities		<u>4,532,429</u>	<u>3,820,567</u>
Creditors: amounts falling due after more than one year	7	-	(59,000)
Provisions for liabilities		(98,103)	(206,918)
Net assets		<u>4,434,326</u>	<u>3,554,649</u>
Capital and reserves			
Called up share capital		10,000	10,000
Profit and loss account		4,424,326	3,544,649
Shareholders' funds		<u>4,434,326</u>	<u>3,554,649</u>

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



D. Armour
Director

Approved by the board on 28 December 2023

PRECISION TOOLING SERVICES LIMITED
Statement of Changes in Equity
for the year ended 31 December 2021

	Share capital	Share premium	Re- valuation reserve	Profit and loss account	Total
	£	£	£	£	£
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	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>3,544,649</u>	<u>3,554,649</u>
At 1 January 2021	10,000	-	-	3,544,649	3,554,649
Profit for the financial year				879,677	879,677
At 31 December 2021	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>4,424,326</u>	<u>4,434,326</u>

PRECISION TOOLING SERVICES LIMITED
Notes to the Accounts
for the year ended 31 December 2021

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 and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

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 50 years.
Plant and machinery	over 4 years
Fixtures, fittings, tools and equipment	over 4 years

Investments

Investments in subsidiaries, associates and joint ventures are measured at cost less any accumulated impairment losses. Listed investments are measured at fair value. Unlisted investments are measured at fair value unless the value cannot be measured reliably, in which case they are measured at cost less any accumulated impairment losses. Changes in fair value are included in the profit and loss account.

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.

PRECISION TOOLING SERVICES LIMITED
Notes to the Accounts
for the year ended 31 December 2021

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.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

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.

PRECISION TOOLING SERVICES LIMITED
Notes to the Accounts
for the year ended 31 December 2021

2 Audit information

The audit report is unqualified.

Senior statutory auditor: B Fairgrieve BSc CA
 Firm: John Kerr & Company CA
 Date of audit report: 28 December 2023

3 Employees

	2021 Number	2020 Number
Average number of persons employed by the company	90	90

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Motor vehicles £	Total £
Cost				
At 1 January 2021	36,768	3,354,085	7,402	3,398,255
Additions	-	247,797	-	247,797
Disposals	-	(106,587)	-	(106,587)
At 31 December 2021	36,768	3,495,295	7,402	3,539,465
Depreciation				
At 1 January 2021	7,244	1,769,465	7,402	1,784,111
Charge for the year	232	322,092	-	322,324
On disposals	-	(86,798)	-	(86,798)
At 31 December 2021	7,476	2,004,759	7,402	2,019,637
Net book value				
At 31 December 2021	29,292	1,490,536	-	1,519,828
At 31 December 2020	29,524	1,584,620	-	1,614,144

5 Debtors

	2021 £	2020 £
Trade debtors	466,549	290,969
Amounts owed by group undertakings and undertakings in which the company has a participating interest	2,832,413	2,183,450
Other debtors	51,795	78,133
	3,350,757	2,552,552

PRECISION TOOLING SERVICES LIMITED
Notes to the Accounts
for the year ended 31 December 2021

6 Creditors: amounts falling due within one year	2021	2020
	£	£
Bank loans and overdrafts	130,729	100,800
Obligations under finance lease and hire purchase contracts	-	57,416
Trade creditors	226,657	137,370
Taxation and social security costs	(64,797)	133,923
Other creditors	261,978	76,401
	<u>554,567</u>	<u>505,910</u>

7 Creditors: amounts falling due after one year	2021	2020
	£	£
Other creditors	-	59,000
	<u>-</u>	<u>59,000</u>

8 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 Europe Ltd
 Prestwick International Airport
 Prestwick
 Ayrshire
 KA92RW