

**STERLING PRECISION ENGINEERING SERVICES LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**STERLING PRECISION ENGINEERING SERVICES LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	Mr J Mitchell Mrs S Mitchell
<b>Company secretary</b>	Simone Mitchell
<b>Registered number</b>	SC328736
<b>Registered office</b>	Carwhinny Unit 8, Mitchelston Industrial Estate Kirkcaldy KY1 3LS
<b>Accountants</b>	EQ Accountants LLP Chartered Accountants Pentland House Saltire Centre Glenrothes Fife KY6 2AH

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2020

		2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	5	226,529	323,737
		<u>226,529</u>	<u>323,737</u>
<b>Current assets</b>			
Stocks		9,500	13,050
Debtors: amounts falling due within one year	6	235,529	344,040
Cash at bank and in hand		218,969	79,734
		<u>463,998</u>	<u>436,824</u>
Creditors: amounts falling due within one year	7	(185,290)	(208,821)
<b>Net current assets</b>		<u>278,708</u>	<u>228,003</u>
<b>Total assets less current liabilities</b>		<u>505,237</u>	<u>551,740</u>
Creditors: amounts falling due after more than one year	8	(47,807)	(94,773)
<b>Provisions for liabilities</b>			
Deferred tax		(43,041)	(61,206)
		<u>(43,041)</u>	<u>(61,206)</u>
Accruals and deferred income	9	(250)	(849)
<b>Net assets</b>		<u>414,139</u>	<u>394,912</u>
<b>Capital and reserves</b>			
Called up share capital	10	100	100
Profit and loss account		414,039	394,812
		<u>414,139</u>	<u>394,912</u>

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2020**

The directors consider 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 directors acknowledge their 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 statement of income and retained earnings 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:

Mr J Mitchell  
**Director**

Mrs S Mitchell  
**Director**

Date: 6 November 2020

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**1. General information**

Sterling Precision Engineering Services Limited is a private company, limited by shares and incorporated in Scotland, registration number SC328736. The registered office address is Carwhinny, Unit 8, Mitchelston Industrial Estate, Kirkcaldy, KY1 3LS.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

**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 following principal accounting policies have been applied:

**2.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

At the date of approval of the financial statements, the directors are aware of the potential impact on the company of COVID-19. As the country is still in the midst of the pandemic, it is not possible to assess the potential full impact. However, the directors have taken all steps necessary to mitigate any impact the virus may have on the company and has considered a period of at least 12 months from the date of approval of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**2. Accounting policies (continued)**

**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:

**Sale of goods**

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**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.

**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.

**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 Statement of income and retained earnings in the same period as the related expenditure.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.6 Pensions

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.7 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 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 Statement of financial position 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.

2.8 Intangible assets

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of income and retained earnings over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

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	-	20% reducing balance
Motor vehicles	-	25% reducing balance
Computer equipment	-	33% reducing balance

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.

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.

3. Employees

The average monthly number of employees, including directors, during the year was 11 (2019 - 12).



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

## 4. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 April 2019	60,150
At 31 March 2020	<u>60,150</u>
<b>Amortisation</b>	
At 1 April 2019	60,150
At 31 March 2020	<u>60,150</u>
<b>Net book value</b>	
At 31 March 2020	<u>-</u>
<b>At 31 March 2019</b>	<u>-</u>

## 5. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2019	863,112	10,200	12,288	885,600
Additions	7,349	-	1,471	8,820
Disposals	(87,500)	-	-	(87,500)
At 31 March 2020	<u>782,961</u>	<u>10,200</u>	<u>13,759</u>	<u>806,920</u>
<b>Depreciation</b>				
At 1 April 2019	552,591	1,062	8,210	561,863
Charge for the year on owned assets	59,426	2,284	1,477	63,187
Disposals	(44,659)	-	-	(44,659)
At 31 March 2020	<u>567,358</u>	<u>3,346</u>	<u>9,687</u>	<u>580,391</u>
<b>Net book value</b>				
At 31 March 2020	<u>215,603</u>	<u>6,854</u>	<u>4,072</u>	<u>226,529</u>
<b>At 31 March 2019</b>	<u>310,521</u>	<u>9,138</u>	<u>4,078</u>	<u>323,737</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

6. Debtors

	2020 £	2019 £
Trade debtors	161,322	254,162
Other debtors	64,547	79,357
Prepayments and accrued income	4,663	5,031
Amounts recoverable on long term contracts	4,997	5,490
	<u>235,529</u>	<u>344,040</u>

Included within others debtors is an overdrawn directors' loan account totalling £25,144 (2019- £31,635). Interest was charged using HM Revenue & Customs official rates. The loan was cleared in November 2020.

7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	72,300	64,605
Other taxation and social security	57,605	63,051
Obligations under finance lease and hire purchase contracts	32,286	59,738
Other creditors	600	741
Accruals and deferred income	22,499	20,686
	<u>185,290</u>	<u>208,821</u>

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

	2020 £	2019 £
Net obligations under finance leases and hire purchase contracts	<u>47,807</u>	<u>94,773</u>

Secured loans

Obligations under hire purchase contracts are secured over the relevant assets.

9. Accruals and deferred income

	2020 £	2019 £
Government grants (greater than 1 year)	<u>250</u>	<u>849</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

10. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

11. Commitments under operating leases

At 31 March 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	1,929	2,166
Later than 1 year and not later than 5 years	-	237
	<u>1,929</u>	<u>2,403</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.