

Company Registration No. SC428447 (Scotland)

**C A ENGINEERING SCOTLAND LIMITED**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2020**

**PAGES FOR FILING WITH REGISTRAR**

# **C A ENGINEERING SCOTLAND LIMITED**

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# C A ENGINEERING SCOTLAND LIMITED

## BALANCE SHEET

AS AT 31 JULY 2020

		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	3	127,443		151,527	
Investments	4	658,745		-	
		<u>786,188</u>		<u>151,527</u>	
<b>Current assets</b>					
Stocks		26,000		26,000	
Debtors	5	198,282		219,849	
Cash at bank and in hand		63,486		169,706	
		<u>287,768</u>		<u>415,555</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(365,441)</u>		<u>(135,944)</u>	
<b>Net current (liabilities)/assets</b>			<u>(77,673)</u>		<u>279,611</u>
<b>Total assets less current liabilities</b>			708,515		431,138
<b>Creditors: amounts falling due after more than one year</b>	7		(276,806)		(29,969)
<b>Provisions for liabilities</b>					
Deferred tax liability		21,953		23,673	
		<u>(21,953)</u>		<u>(23,673)</u>	
<b>Net assets</b>			<u>409,756</u>		<u>377,496</u>
<b>Capital and reserves</b>					
Called up share capital	8	100		100	
Profit and loss reserves		409,656		377,396	
<b>Total equity</b>		<u>409,756</u>		<u>377,496</u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

## **C A ENGINEERING SCOTLAND LIMITED**

### **BALANCE SHEET (CONTINUED)**

**AS AT 31 JULY 2020**

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For the financial year ended 31 July 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on 28 April 2021 and are signed on its behalf by:

Mr Cameron Steel  
**Director**

**Company Registration No. SC428447**

# C A ENGINEERING SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

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### 1 Accounting policies

#### Company information

C A Engineering Scotland Limited is a private company limited by shares incorporated in Scotland. The registered office is Axis Business Centre, Thainstone, INVERURIE, AB51 5TB. The principal place of business is Unit 4 & 5 Concraig, Mains of Concraig, Kingswells, ABERDEEN, AB15 8RL.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

#### 1.2 Going concern

At the year end the company has net current liabilities of £77, 673 (2019 - net current assets £279,611), which is largely due to intercompany balances outstanding at the year end.

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. During the COVID-19 pandemic, the company has largely continued to operate while utilising government schemes made available in order to protect the assets of the company, the directors do not anticipate any long term negative impact to the business.

Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements. In arriving at that conclusion, they have considered a period of 12 months from the time of approving these financial statements.

#### 1.3 Turnover

Turnover represents amounts receivable for engineering services net of VAT and trade discounts. Turnover is recognised on an accruals basis dependent on when the service is provided.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Tenant's improvements	10% straight line
Plant and machinery	10% reducing balance
Fixtures, fittings & equipment	20% reducing balance
Motor vehicles	25% reducing balance

## C A ENGINEERING SCOTLAND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

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#### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

##### 1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

##### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### 1.8 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

##### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

##### **Basic financial assets**

Basic financial assets, which include debtors and bank balances, are measured at transaction price including transaction costs.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# C A ENGINEERING SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, loans from fellow group companies and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less.

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.11 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

## **C A ENGINEERING SCOTLAND LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2020**

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#### **1 Accounting policies**

**(Continued)**

##### **1.14 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

##### **1.15 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

##### **1.16 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

#### **2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 8 (2019 - 7).



# C A ENGINEERING SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 August 2019	3,701	240,802	244,503
Additions	-	3,435	3,435
At 31 July 2020	3,701	244,237	247,938
<b>Depreciation and impairment</b>			
At 1 August 2019	1,264	91,712	92,976
Depreciation charged in the year	370	27,149	27,519
At 31 July 2020	1,634	118,861	120,495
<b>Carrying amount</b>			
At 31 July 2020	2,067	125,376	127,443
At 31 July 2019	2,437	149,090	151,527

### 4 Fixed asset investments

	2020 £	2019 £
Investments	658,745	-

The investment represents 100% of the share capital of Hays Hydraulic & Mechanical Services Limited,

#### Movements in fixed asset investments

	Shares in group undertakings and participating interests £
<b>Cost or valuation</b>	
At 1 August 2019	-
Additions	658,745
At 31 July 2020	658,745
<b>Carrying amount</b>	
At 31 July 2020	658,745
At 31 July 2019	-

# C A ENGINEERING SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

<b>5 Debtors</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	159,948	168,626
Other debtors	38,334	51,223
	<u>198,282</u>	<u>219,849</u>

<b>6 Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans	84,898	-
Trade creditors	83,182	44,176
Amounts owed to group undertakings	34,500	-
Corporation tax	2,944	14,092
Other taxation and social security	32,844	39,157
Other creditors	127,073	38,519
	<u>365,441</u>	<u>135,944</u>

Included in other creditors is an amount of £17,249 (2019 - £18,193) which relates to obligations under hire purchase contracts and finance leases which are secured over the asset to which they relate.

Bank loans contain floating charges which cover all the property and undertakings of the company. The company also has a Enterprise Finance Guarantee and a group guarantee between C A Engineering Scotland Limited and Hays Hydraulics & Mechanical Services Limited.

<b>7 Creditors: amounts falling due after more than one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	261,769	-
Other creditors	15,037	29,969
	<u>276,806</u>	<u>29,969</u>

Amounts included in other creditors relate to obligations under hire purchase contracts and finance leases which are secured over the asset to which they relate.

Bank loans contain floating charges which cover all the property and undertakings of the company. The company also has a Enterprise Finance Guarantee and a group guarantee between C A Engineering Scotland Limited and Hays Hydraulics & Mechanical Services Limited.

## C A ENGINEERING SCOTLAND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

#### 8 Called up share capital

	2020	2019
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary Shares of £1 each	100	100
	<u>100</u>	<u>100</u>

#### 9 Events after the reporting date

After the year end the company declared dividends of £10,000 to it's shareholders.

#### 10 Related party transactions

The company has taken advantage of the exemptions included in FRS 102 33.1A not to disclose transactions with wholly owned group companies.

#### 11 Directors' transactions

During the year the company operated a loan account with the directors. At the year end the company was due (to)/from the directors:

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
C Steel	-	(2,032)	626	(485)	(1,891)
A Milne	-	(152)	638	(64)	422
		<u>(2,184)</u>	<u>1,264</u>	<u>(549)</u>	<u>(1,469)</u>

There are no terms for repayment and no interest is charged.

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.