

**C A ENGINEERING SCOTLAND LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2021
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C A ENGINEERING SCOTLAND LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

Contents

Balance Sheet	3
Notes to the Financial Statements	5

C A ENGINEERING SCOTLAND LIMITED
BALANCE SHEET
AS AT 31 JULY 2021

	Note	2021	2020
		£	£
Fixed assets			
Tangible assets	3	174,522	127,443
Investments	4	658,745	658,745
		833,267	786,188
Current assets			
Stocks		26,000	26,000
Debtors	5	246,437	198,704
Cash at bank and in hand		154,535	63,486
		426,972	288,190
Creditors			
Amounts falling due within one year	6	(236,046)	(365,863)
Net current assets/(liabilities)		190,926	(77,673)
Total assets less current liabilities		1,024,193	708,515
Creditors			
Amounts falling due after more than one year	7	(234,040)	(276,806)
Provisions for liabilities	8	(29,834)	(21,953)
Net assets		760,319	409,756
Capital and reserves			
Called-up share capital	9	100	100
Profit and loss account		760,219	409,656
Total shareholders' funds		760,319	409,756

For the financial year ending 31 July 2021 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its financial statements for the financial year in accordance with section 476;
- 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; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Profit and Loss Account has not been delivered.

The financial statements of C A Engineering Scotland Limited (registered number: SC428447) were approved and authorised for issue by the Director on 29 April 2022. They were signed on its behalf by:

C A ENGINEERING SCOTLAND LIMITED
BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2021

Cameron Charles Steel
Director

C A ENGINEERING SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

C A Engineering Scotland Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The address of the Company's registered office is Axis Business Centre, Thainstone, Inverurie, AB51 5TB, United Kingdom. The principal place of business is Unit 4 & 5 Concraig, Mains of Concraig, Kingswells, AB15 8RL.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

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

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.

Going concern

At the year end the company had net current assets of £190,926 (2020 - net current liabilities £77,673) which was 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.

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.

Employee benefits

Short term benefits

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

Termination benefits are recognised as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Defined contribution schemes

The Company operates a defined contribution scheme. The amount charged to the Statement of Income and Retained Earnings in respect of pension costs and other post-retirement benefits is the contributions payable in the financial year. Differences between contributions payable in the financial year and contributions actually paid are included as either accruals or prepayments in the Balance Sheet.

C A ENGINEERING SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

Taxation

Current tax

Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Leasehold improvements	10 years straight line
Vehicles	25 % reducing balance
Fixtures and fittings	20 % reducing balance
Other property, plant and equipment	10 % reducing balance

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

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.

Leases

The Company as lessee

Assets held under finance leases which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the Statement of Income and Retained Earnings over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Income and Retained Earnings as described below.

C A ENGINEERING SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

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.

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 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.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, 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. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

C A ENGINEERING SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

Government grants

Government grants are recognised based on the performance model and are measured at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received.

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

2. Employees

	2021	2020
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	8	8

3. Tangible assets

	Leasehold improve- ments	Vehicles	Fixtures and fittings	Other property, plant and equipment	Total
	£	£	£	£	£
Cost					
At 01 August 2020	3,701	141,348	2,977	99,912	247,938
Additions	13,829	58,757	446	10,517	83,549
Disposals	(3,701)	(18,785)	0	0	(22,486)
At 31 July 2021	13,829	181,320	3,423	110,429	309,001
Accumulated depreciation					
At 01 August 2020	1,634	81,925	1,725	35,211	120,495
Charge for the financial year	1,100	24,056	265	6,957	32,378
Disposals	(1,912)	(16,482)	0	0	(18,394)
At 31 July 2021	822	89,499	1,990	42,168	134,479
Net book value					
At 31 July 2021	13,007	91,821	1,433	68,261	174,522
At 31 July 2020	2,067	59,423	1,252	64,701	127,443

C A ENGINEERING SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

4. Fixed asset investments

Investments in subsidiaries

	2021
	£
Cost	
At 01 August 2020	658,745
At 31 July 2021	658,745
Carrying value at 31 July 2021	658,745
Carrying value at 31 July 2020	658,745

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

5. Debtors

	2021	2020
	£	£
Trade debtors	183,846	159,948
Other debtors	62,591	38,756
	246,437	198,704

6. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans	93,230	84,898
Trade creditors	38,618	83,182
Other creditors	54,904	144,746
Corporation tax	5,430	2,944
Other taxation and social security	28,403	32,844
Obligations under finance leases and hire purchase contracts	15,461	17,249
	236,046	365,863

Included in other creditors is an amount of £15,461 (2020 - £17,249) 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.

C A ENGINEERING SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

7. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans	218,539	261,769
Obligations under finance leases and hire purchase contracts	15,501	15,037
	234,040	276,806

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 an Enterprise Finance Guarantee and a group guarantee between C A Engineering Scotland Limited and Hays Hydraulics & Mechanical Services Limited.

8. Provision for liabilities

	2021	2020
	£	£
Deferred tax	29,834	21,953

9. Called-up share capital

	2021	2020
	£	£
Allotted, called-up and fully-paid		
100 Ordinary shares of £ 1.00 each	100	100

10. Related party transactions

Transactions with the entity's directors

	2021	2020
	£	£
Due to C Steel	(942)	(1,891)
Due from A Milne	1,326	422

At 31/07/2020, an amount of £1,891 was due to Mr C Steel. During the year to 31/07/2021, £949 was repaid, leaving an amount due to Mr C Steel of £942.

At 31/07/2020, an amount of £422 was due from Mr A Milne. During the year to 31/07/2021, a further £1,326 was advanced and £422 was repaid, leaving amount due from Mr A Milne of £1,326.

There are no terms for repayment, and no interest is charged on directors' loan accounts.

Other related party transactions

The company has taken advantage of the exemptions included in FRS102 33.1A not to disclose transactions with wholly owned group companies.

C A ENGINEERING SCOTLAND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

11. Events after the Balance Sheet date

After the year end the company declared dividends of £30,000 to it's shareholders.

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.