

Blundell Production Equipment Limited

Unaudited

Financial statements

For the year ended 31 December 2020

Registered number: 00929625

Information for filing with the registrar

Statement of financial position

As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	227,930	308,686
Current assets			
Stocks		931,035	1,244,354
Debtors	5	2,027,743	1,419,746
Cash at bank and in hand	6	615,931	267,669
		<u>3,574,709</u>	<u>2,931,769</u>
Creditors: amounts falling due within one year	7	(2,176,713)	(1,571,140)
Net current assets		<u>1,397,996</u>	<u>1,360,629</u>
Total assets less current liabilities		<u>1,625,926</u>	<u>1,669,315</u>
Creditors: amounts falling due after more than one year	8	-	(262,740)
Deferred tax		(3,100)	(3,100)
Net assets		<u><u>1,622,826</u></u>	<u><u>1,403,475</u></u>
Capital and reserves			
Called up share capital		100,000	100,000
Profit and loss account		1,522,826	1,303,475
		<u><u>1,622,826</u></u>	<u><u>1,403,475</u></u>

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 comprehensive income 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 on 28 September 2021.

Statement of financial position (continued)

As at 31 December 2020

Steven Richard Pell

Director

The notes on pages 3 to 10 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2020

1. General information

The company is a private company limited by shares and incorporated in England and Wales. The registered office is Unit C-D Quinn Close, Seven Stars Industrial Estate, Coventry, CV3 4LH.

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 Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

Notes to the financial statements

For the year ended 31 December 2020

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

Revenue 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 revenue 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.

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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.7 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.

Notes to the financial statements

For the year ended 31 December 2020

2. Accounting policies (continued)

2.8 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 income 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.

2.9 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, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	-	Over the length of the lease
Plant and machinery	-	10% on cost

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.

Notes to the financial statements

For the year ended 31 December 2020

2. Accounting policies (continued)

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.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.15 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt

Notes to the financial statements

For the year ended 31 December 2020

2. Accounting policies (continued)

2.15 Financial instruments (continued)

deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

3. Employees

The average monthly number of employees, including directors, during the year was 24 (2019 - 24).

Notes to the financial statements

For the year ended 31 December 2020

4. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2020	105,078	544,135	649,213
Additions	-	3,800	3,800
At 31 December 2020	105,078	547,935	653,013
Depreciation			
At 1 January 2020	98,949	241,579	340,528
Charge for the year	669	83,886	84,555
At 31 December 2020	99,618	325,465	425,083
Net book value			
At 31 December 2020	5,460	222,470	227,930
At 31 December 2019	6,129	302,557	308,686

5. Debtors

	2020 £	2019 £
Trade debtors	1,177,953	385,840
Amounts owed by group undertakings	658,595	641,732
Other debtors	79,251	224,371
Prepayments and accrued income	111,944	167,803
	<u>2,027,743</u>	<u>1,419,746</u>

Notes to the financial statements

For the year ended 31 December 2020

6. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	615,931	267,669
	<u>615,931</u>	<u>267,669</u>

7. Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans	365,101	330,037
Payments received on account	136,090	147,976
Trade creditors	675,277	601,408
Corporation tax	60,411	46,677
Other taxation and social security	521,214	136,427
Obligations under finance lease and hire purchase contracts	83,551	66,856
Accruals and deferred income	335,069	241,759
	<u>2,176,713</u>	<u>1,571,140</u>

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

	2020 £	2019 £
Bank loans	-	179,189
Net obligations under finance leases and hire purchase contracts	-	83,551
	<u>-</u>	<u>262,740</u>

Notes to the financial statements

For the year ended 31 December 2020

9. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	365,101	330,037
	<u>365,101</u>	<u>330,037</u>
Amounts falling due 1-2 years		
Bank loans	-	179,189
	<u>-</u>	<u>179,189</u>
	<u>365,101</u>	<u>509,226</u>

The bank loans are secured by a fixed and floating charge placed over the assets of the Company.

10. Controlling party

The immediate parent undertaking of the company is Blundell Production Holdings Limited, a company with its registered office at c/o Wright Hassall LLP, Olympus Avenue, Leamington Spa, Warwickshire CV34 6BF.

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.