

COMPANY REGISTRATION NUMBER: 07222701

PRECISION ELECTRIC CONTRACTORS & ENGINEERS LTD

FILLETED UNAUDITED FINANCIAL STATEMENTS

31 May 2019

PRECISION ELECTRIC CONTRACTORS & ENGINEERS LTD

FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2019

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PRECISION ELECTRIC CONTRACTORS & ENGINEERS LTD

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Mr K Reid
	Mr K Merrett
	Mr N L Roberts
Company secretary	Mr K Reid
Registered office	44 Tenter Road
	Moulton Park
	Northampton
	NN3 6AX
Accountants	Sawford Bullard
	Accountants
	The Old Mill
	Blisworth Hill Farm
	Stoke Road
	Blisworth
	Northampton
Bankers	NN7 3DB
	Allied Irish Bank
	18 St Edmund's Road
	Northampton
	NN1 5EH

PRECISION ELECTRIC CONTRACTORS & ENGINEERS LTD

STATEMENT OF FINANCIAL POSITION

31 May 2019

		2019	2018
	Note	£	£
Fixed assets			
Tangible assets	5	34,574	61,537
Current assets			
Stocks		16,042	500
Debtors	6	588,813	532,977
Cash at bank and in hand		63,955	10,974
		668,810	544,451
Creditors: amounts falling due within one year	7	385,702	486,411
Net current assets		283,108	58,040
Total assets less current liabilities		317,682	119,577
Creditors: amounts falling due after more than one year	8	181,337	7,439
Provisions			
Taxation including deferred tax		2,450	—
Net assets		133,895	112,138

PRECISION ELECTRIC CONTRACTORS & ENGINEERS LTD

STATEMENT OF FINANCIAL POSITION *(continued)*

31 May 2019

		2019		2018
	Note	£	£	£
Capital and reserves				
Called up share capital	10		100	100
Profit and loss account			133,795	112,038
			-----	-----
Shareholders funds			133,895	112,138
			-----	-----

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31 May 2019 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 year in question in accordance with section 476 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

These financial statements were approved by the board of directors and authorised for issue on 5 September 2019 , and are signed on behalf of the board by:

Mr K Reid

Mr K Merrett

Director

Director

Mr N L Roberts

Director

Company registration number: 07222701

PRECISION ELECTRIC CONTRACTORS & ENGINEERS LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 44 Tenter Road, Moulton Park, Northampton, NN3 6AX.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax. When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period. When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Short leasehold property improvements	-	10% straight line
Plant & machinery	-	20% reducing balance
Fixtures & fittings	-	25% reducing balance
Motor vehicles	-	25% reducing balance

Equipment

- 20% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 12 (2018: 10).

5. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost						
At 1 Jun 2018	30,457	820	4,925	64,325	8,818	109,345
Disposals	—	—	—	(39,336)	—	(39,336)
At 31 May 2019	30,457	820	4,925	24,989	8,818	70,009
Depreciation						
At 1 Jun 2018	11,352	561	3,745	28,242	3,908	47,808
Charge for the year	3,045	52	295	4,498	982	8,872
Disposals	—	—	—	(21,245)	—	(21,245)
At 31 May 2019	14,397	613	4,040	11,495	4,890	35,435
Carrying amount						
At 31 May 2019	16,060	207	885	13,494	3,928	34,574
At 31 May 2018	19,105	259	1,180	36,083	4,910	61,537

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Motor vehicles £
At 31 May 2019	13,494
At 31 May 2018	36,083

6. Debtors

	2019 £	2018 £
Trade debtors	493,937	520,178
Other debtors	94,876	12,799
	588,813	532,977

7. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	346,580	337,598
Accruals and deferred income	12,001	3,150
Social security and other taxes	19,755	18,297
Obligations under finance leases and hire purchase contracts	5,463	11,423
Other creditors	1,903	115,943
	385,702	486,411

The amounts owing under hire purchase contracts are secured on the assets concerned.

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

	2019	2018
	£	£
Obligations under finance leases and hire purchase contracts	1,976	7,439
Other creditors	179,361	—
	181,337	7,439

The amounts owing under hire purchase contracts are secured on the assets concerned.

9. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2019	2018
	£	£
Not later than 1 year	5,463	11,423
Later than 1 year and not later than 5 years	1,976	7,439
	7,439	18,862

10. Called up share capital**Issued, called up and fully paid**

	2019		2018	
	No.	£	No.	£
Ordinary shares of £ 1 each	100	100	100	100

11. Related party transactions

Included in other creditors due after more than one year is an amount due to Mr M Reid & Mrs K Reid, the parents of Mr K Reid (a director) of £ 179,361, (2018: Due within one year £94,194). No interest has been charged on this amount and it is not repayable until at least 12 months after the date of the signing of the balance sheet . Included in other debtors are amounts due from D&S Air Conditioning Ltd a company in which Mr K Reid is a director. This company went into liquidation in February 2019 and it is not yet known if the amounts outstanding will be repaid. No provision has been provided on the debt.

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.