

COMPANY REGISTRATION NUMBER: 07222701

PRECISION ELECTRIC CONTRACTORS & ENGINEERS LTD

FILLETED UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 May 2021

PRECISION ELECTRIC CONTRACTORS & ENGINEERS LTD

STATEMENT OF FINANCIAL POSITION

31 May 2021

		2021	2020
	Note	£	£
Fixed assets			
Tangible assets	5	22,437	29,276
Current assets			
Stocks		66,249	18,385
Debtors	6	533,817	598,677
Cash at bank and in hand		466	45,435
		600,532	662,497
Creditors: amounts falling due within one year	7	356,699	396,318
Net current assets		243,833	266,179
Total assets less current liabilities		266,270	295,455
Creditors: amounts falling due after more than one year	8	192,056	144,247
Provisions		11,535	2,069
Net assets		62,679	149,139
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account		62,579	149,039
Shareholders funds		62,679	149,139

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 Section 1A of 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 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 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 .

PRECISION ELECTRIC CONTRACTORS & ENGINEERS LTD

STATEMENT OF FINANCIAL POSITION *(continued)*

31 May 2021

These financial statements were approved by the board of directors and authorised for issue on 24 May 2022 , and are signed on behalf of the board by:

Mr K Reid

Director

Mr N L Roberts

Director

Mr K Merrett

Director

Mrs M Scott

Director

Company registration number: 07222701

PRECISION ELECTRIC CONTRACTORS & ENGINEERS LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2021

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.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

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 10 (2020: 13).

5. Tangible assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost						
At 1 Jun 2020 and 31 May 2021	30,457	991	4,998	24,989	11,293	72,728
Depreciation						
At 1 Jun 2020	17,443	689	4,280	14,869	6,171	43,452
Charge for the year	3,045	60	179	2,530	1,025	6,839
At 31 May 2021	20,488	749	4,459	17,399	7,196	50,291
Carrying amount						
At 31 May 2021	9,969	242	539	7,590	4,097	22,437
At 31 May 2020	13,014	302	718	10,120	5,122	29,276

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 2021	—
At 31 May 2020	5,480

6. Debtors

	2021 £	2020 £
Trade debtors	513,088	556,746
Other debtors	20,729	41,931
	533,817	598,677

7. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	25,521	—
Trade creditors	243,762	182,078
Corporation tax	—	11,392
Social security and other taxes	50,253	86,385
Pension creditor	2,232	1,790
Other creditors	34,931	114,673
	356,699	396,318

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

	2021	2020
	£	£
Bank loans and overdrafts	42,094	—
Other creditors	149,962	144,247
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	192,056	144,247
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9. Called up share capital**Issued, called up and fully paid**

	2021		2020	
	No.	£	No.	£
Ordinary shares of £ 1 each	100	100	100	100
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10. Directors' advances, credits and guarantees

Included in Trade Debtors are amounts of £3,876 owed by Mr K Reid (a director) for the purchase of an asset at market value.

11. Related party transactions

Included in other creditors is an amount due to Mr M Reid & Mrs K Reid, the parents of Mr K Reid (a director) of £149,962(2020: Due after one year £163,247). No interest has been charged on this amount.

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.