REGISTERED NUMBER: 03382113 (England and Wales)

# Financial Statements

## for the Year Ended 31 August 2017

## for

## KASL Precision Engineering Limited

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## for the Year Ended 31 August 2017


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**KASL Precision Engineering Limited**

**Company Information**
**for the Year Ended 31 August 2017**

| | |
|---|---|
| **DIRECTORS:** | L Riley<br>S Riley |
| **SECRETARY:** | S Riley |
| **REGISTERED OFFICE:** | 3 Connaught Close<br>Philadelphia<br>Houghton le Spring<br>Tyne and Wear<br>DH4 4XF |
| **REGISTERED NUMBER:** | 03382113 (England and Wales) |
| **ACCOUNTANTS:** | Clive Owen LLP<br>Chartered Accountants<br>Kepier House<br>Belmont Business Park<br>Durham<br>DH1 1TW |

## Balance Sheet
## 31 August 2017

| | Notes | 2017 £ | £ | 2016 £ | £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 4 | | 466,648 | | 484,755 |
| **CURRENT ASSETS** | | | | | |
| Stocks | | 17,342 | | 5,684 | |
| Debtors | 5 | 118,244 | | 141,543 | |
| Cash at bank and in hand | | 67,697 | | 12,478 | |
| | | 203,283 | | 159,705 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 6 | 131,272 | | 136,583 | |
| **NET CURRENT ASSETS** | | | 72,011 | | 23,122 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 538,659 | | 507,877 |
| **CREDITORS** | | | | | |
| Amounts falling due after more than one year | 7 | | (241,391) | | (253,662) |
| **PROVISIONS FOR LIABILITIES** | 10 | | (12,662) | | (13,928) |
| **NET ASSETS** | | | 284,606 | | 240,287 |
| **CAPITAL AND RESERVES** | | | | | |
| Called up share capital | 11 | | 11,500 | | 11,500 |
| Retained earnings | | | 273,106 | | 228,787 |
| **SHAREHOLDERS' FUNDS** | | | 284,606 | | 240,287 |

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements



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## Balance Sheet - continued
## 31 August 2017

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors on 4 December 2017 and were signed on its behalf by:

S Riley - Director

The notes form part of these financial statements

## 1. STATUTORY INFORMATION

KASL Precision Engineering Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

## 2. ACCOUNTING POLICIES

**Basis of preparing the financial statements**
These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

There were no material departures from that standard.

These financial statements for the year ended 31 August 2017 are the first financial statements that comply with FRS 102 Section 1A small entities. The date of transition is 1 September 2015.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

**Turnover**
Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Tangible fixed assets**
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

| | |
|---|---|
| Freehold property | - 2% on cost |
| Improvements to property | - 2% on cost |
| Plant and machinery | - 15% on reducing balance |
| Fixtures and fittings | - 25% on reducing balance |
| Motor vehicles | - 25% on cost |
| Computer equipment | - 33% on cost |

**Government grants**
Revenue based grants have been credited to the profit and loss account in the period to which they relate. Capital based grants are accounted for using the accruals model and have been transferred to a deferred credit and released to the profit and loss account over the useful life of the asset, as disclosed above.

**Stocks**
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport and handling costs in bringing stocks to their present location and condition.

**Financial instruments**
Basic financial instruments are recognised at amortised cost with changes recognised in profit and loss.

**Taxation**
Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.



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2. ACCOUNTING POLICIES - continued

**Deferred tax**
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Hire purchase and leasing commitments**
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals payable under operating leases are charged against the profit and loss account in the period to which they relate.

**Pension costs and other post-retirement benefits**
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Invoice discounting facility**
The invoice discounting facility represents amounts received in respect of financed debts. There is full recourse to the company for losses on debts, and so the financed debts continue to be recognised on the balance sheet. Interest and other charges relating to invoice financing are recognised in the profit and loss account over the relevant period.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 10 (2016 - 11 ) .



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4. **TANGIBLE FIXED ASSETS**

| | Freehold property £ | Improvements to property £ | Plant and machinery £ |
|---|---|---|---|
| **COST** | | | |
| At 1 September 2016 | 345,784 | 70,412 | 468,720 |
| Additions | - | - | 4,237 |
| At 31 August 2017 | 345,784 | 70,412 | 472,957 |
| **DEPRECIATION** | | | |
| At 1 September 2016 | 32,274 | 6,492 | 363,786 |
| Charge for year | 6,916 | 1,408 | 15,573 |
| At 31 August 2017 | 39,190 | 7,900 | 379,359 |
| **NET BOOK VALUE** | | | |
| At 31 August 2017 | 306,594 | 62,512 | 93,598 |
| At 31 August 2016 | 313,510 | 63,920 | 104,934 |

| | Fixtures and fittings £ | Motor vehicles £ | Computer equipment £ | Totals £ |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 September 2016 | 6,197 | 14,387 | 31,344 | 936,844 |
| Additions | 761 | - | 2,559 | 7,557 |
| At 31 August 2017 | 6,958 | 14,387 | 33,903 | 944,401 |
| **DEPRECIATION** | | | | |
| At 1 September 2016 | 5,404 | 14,387 | 29,746 | 452,089 |
| Charge for year | 198 | - | 1,569 | 25,664 |
| At 31 August 2017 | 5,602 | 14,387 | 31,315 | 477,753 |
| **NET BOOK VALUE** | | | | |
| At 31 August 2017 | 1,356 | - | 2,588 | 466,648 |
| At 31 August 2016 | 793 | - | 1,598 | 484,755 |



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4. **TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

| | Plant and machinery £ |
|---|---|
| **COST** | |
| At 1 September 2016 and 31 August 2017 | 83,995 |
| **DEPRECIATION** | |
| At 1 September 2016 | 39,504 |
| Charge for year | 6,674 |
| At 31 August 2017 | 46,178 |
| **NET BOOK VALUE** | |
| At 31 August 2017 | 37,817 |
| At 31 August 2016 | 44,491 |

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | 2017 £ | 2016 £ |
|---|---|---|
| Trade debtors | 99,725 | 124,670 |
| Prepayments and accrued income | 18,519 | 16,873 |
| | 118,244 | 141,543 |

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | 2017 £ | 2016 £ |
|---|---|---|
| Bank loans and overdrafts | - | 3,160 |
| Commercial mortgage | 8,243 | 6,490 |
| Hire purchase contracts (see note 8) | 1,328 | 11,088 |
| Trade creditors | 45,209 | 33,186 |
| Corporation tax | 28,686 | 13,624 |
| Social security and other taxes | 37,933 | 42,773 |
| Other creditors | 179 | - |
| Sales factoring account | (20,427) | (955) |
| Directors' loan accounts | 21,877 | 20,877 |
| Accruals and deferred income | 8,244 | 6,340 |
| | 131,272 | 136,583 |

7. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

| | 2017 £ | 2016 £ |
|---|---|---|
| Commercial mortgage 2-5 years | 25,960 | 25,960 |
| Commercial mortgage > 5 years | 196,883 | 206,214 |
| Hire purchase contracts (see note 8) | - | 1,328 |
| Deferred government grants | 18,548 | 20,160 |
| | 241,391 | 253,662 |



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## 7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| Amounts falling due in more than five years: | | |
| Repayable by instalments | | |
| Commercial mortgage > 5 years | 196,883 | 206,214 |

## 8. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

| | Hire purchase contracts | |
|---|---|---|
| | 2017 | 2016 |
| | £ | £ |
| Net obligations repayable: | | |
| Within one year | 1,328 | 11,088 |
| Between one and five years | - | 1,328 |
| | 1,328 | 12,416 |

| | Non-cancellable operating leases | |
|---|---|---|
| | 2017 | 2016 |
| | £ | £ |
| Within one year | 758 | 2,350 |
| Between one and five years | - | 758 |
| | 758 | 3,108 |

## 9. SECURED DEBTS

The following secured debts are included within creditors:

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| Bank loans | - | 3,160 |
| Commercial mortgage | 231,086 | 238,664 |
| Hire purchase contracts | 1,328 | 12,416 |
| Sales factoring account | (20,427) | (955) |
| | 211,987 | 253,285 |

The bank loan is secured by way of a personal guarantee from the directors.

The commercial mortgage is secured via fixed and floating charges over the undertaking and all property and assets present and future.

Hire purchase contracts are secured on the assets to which they relate.

The sales factoring account is secured by way of first fixed charge over all debts and all export debts purportedly assigned to the security holder pursuant to the debt purchase agreement.



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## 10. PROVISIONS FOR LIABILITIES

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| Deferred tax | 12,662 | 13,928 |

| | Deferred tax |
|---|---|
| | £ |
| Balance at 1 September 2016 | 13,928 |
| Transfer to profit and loss account | (1,266) |
| Balance at 31 August 2017 | 12,662 |

## 11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 2017 | 2016 |
|---|---|---|---|---|
| | | | £ | £ |
| 11,500 | Ordinary | £1 | 11,500 | 11,500 |

## 12. RELATED PARTY DISCLOSURES

There were no related party transactions other than those concluded under normal market conditions, except for those shown below.

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| Amounts due to directors | 21,877 | 20,877 |

No interest has been charged.

## 13. FIRST YEAR ADOPTION

The company has adopted FRS 102 section 1A for the year ended 31 August 2017.
No adjustments were required upon transition.

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.