Company registration number: 07567189

Paragon Toolmaking Co Limited

Unaudited filleted financial statements

31 December 2019

Paragon Toolmaking Co Limited

Contents

Paragon Toolmaking Co Limited

Directors and other information

Directors	D J Brindle	(Resigned 4 August 2020)
	D J Turner	(Resigned 4 August 2020)
	M Wear	(Resigned 28 June 2019)
	D Beaumont	(Appointed 4 August 2020)
Company number	07567189	
Registered office	321 National Avenue	
	Hull	
	East Riding of Yorkshire	
	HU5 4JB	
Business address	321 National Avebue	
	Hull	
	East Riding of Yorkshire	
	HU5 4JB	

Bankers	HSBC plc
	4 Hardman Square
	Spinningfields
	Manchester
	M3 3EB

Paragon Toolmaking Co Limited

Statement of financial position

31 December 2019

		2019		2018	
	Note	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	**5**	810,691		885,738	
			810,691		885,738
Current assets					
Stocks		136,618		399,513	
Debtors	**6**	1,268,827		259,380	
Cash at bank and in hand		243		673,370	
		1,405,688		1,332,263	
Creditors: amounts falling due within one year	**7**	(783,793)		(829,048)	
Net current assets			621,895		503,215
Total assets less current liabilities			1,432,586		1,388,953
Creditors: amounts falling due after more than one year	**8**		(381,898)		(432,203)
Provisions for liabilities			(14,088)		(15,320)
Net assets			1,036,600		941,430
Capital and reserves					
Called up share capital			100		100
Profit and loss account			1,036,500		941,330
Shareholders funds			1,036,600		941,430

For the year ending 31 December 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 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.

These financial statements were approved by the board of directors and authorised for issue on 04 February 2021 , and are signed on behalf of the board by:

D Beaumont

Director

Company registration number: 07567189

Paragon Toolmaking Co Limited

Notes to the financial statements

Year ended 31 December 2019

1. General information

The company is a private company limited by shares, registered in England. The address of the registered office is 321 National Avenue, Hull, East Riding of Yorkshire, HU5 4JB.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The Triennial review 2017 amendments to the standard have been early adopted.

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.

Going concern

The Director has prepared trading and cash flow forecasts for at least 12 months from the date of approval of these financial statements. The forecasts include an assessment of the trading and cash flow impact the Covid-19 pandemic will have on the Company based on the current known situation. After reviewing the company's forecasts and projections, the director is confident the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Turnover

Turnover comprises revenue recognised by the company in respect of the goods supplied during the year, exclusive of value added tax and trade discounts.Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, 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.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

Operating leases

Rentals paid under operating leases are charged to the Statement of comprehensive income 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.

Tangible assets

tangible assets are initially recorded at cost, and are 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 capital and reserves, 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 capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves 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:

Plant and machinery	-	15 %	reducing balance
Fittings fixtures and equipment	-	15 %	reducing balance
Motor vehicles	-	25 %	reducing balance
Computer equipment	-	33 %	straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

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. 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 are largely independent of the cash inflows from other assets or groups of assets.

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 the statement of comprehensive income.

Hire purchase and finance leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from banks and other third parties.inancial 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 cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, 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.Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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 in finance costs 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 34 (2018: 37).

5. Tangible assets

	Freehold and leasehold properties	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Computer equipment	**Total**
	£	£	£	£	£	**£**
Cost						
At 1 January 2019	697,487	335,823	65,838	29,900	79,618	1,208,666
Additions	-	32,465	-	-	1,530	33,995
At 31 December 2019	697,487	368,288	65,838	29,900	81,148	1,242,661
Depreciation						
At 1 January 2019	76,531	156,760	22,532	26,858	40,247	322,928
Charge for the year	-	69,522	12,289	3,042	24,189	109,042
At 31 December 2019	76,531	226,282	34,821	29,900	64,436	431,970
Carrying amount						
At 31 December 2019	620,956	142,006	31,017	-	16,712	810,691
At 31 December 2018	620,956	179,063	43,306	3,042	39,371	885,738

Plant and machinery with a carrying value of £95,076 (2018: £110,874) and fixtures and fittings with a carrying value of £20,287 (2018: £23,052) are held under finance leases or hire purchase contracts.

6. Debtors

	2019	**2018**
	£	**£**
Trade debtors	1,259,150	243,411
Other debtors	9,677	15,969
	1,268,827	259,380

7. Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	132,809	15,417
Trade creditors	192,127	133,778
Amounts owed to group undertakings and undertakings in which the company has a participating interest	61,158	281,158
Social security and other taxes	150,024	54,936
Other creditors	247,675	343,759
	783,793	829,048

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

	2019	2018
	£	£
Bank loans and overdrafts	346,008	362,101
Other creditors	35,890	70,102
	381,898	432,203

9. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £64,323 (2018: £74,799).

10. Contingent assets and liabilities

The company has given a guarantee in respect of the bank loans, overdraft and invoice discounting advances of Pexion Limited and its subsidiaries. The maximum potential liability to the group as at 31 December 2019 amounted to £26,051,464 (2018: £14,744,288).

11. Events after the end of the reporting period

On 30 January, the World Health Organisation (WHO) announced Coronavirus as a global health emergency and on 11 March 2020, it announced that Cornonavirus was a global pandemic. The UK subsequently began a period of lockdown that significantly affected many businesses nationally in terms of their ability to trade effectively. There have been no other significant events affecting the Company since the year end. The Director continues to monitor and consider the financial impact of the pandemic, in particular in relation to order book, key customers and suppliers, cash and working capital, taking appropriate mitigation and risk management actions as they are available however the impact is continuing and still uncertain. On 4 August 2020 the company was sold to Ribble Estuary Limited.

12. Related party transactions

The company has taken advantage of the exemption conferred by section 1A of FRS 102 not to disclose transactions with wholly owned members of the group headed by Pexion Limited.

13. Controlling party

At the reporting date, the immediate parent undertaking is Crossley Advanced Engineering Limited, a company registered in England & Wales. The ultimate parent company is Pexion Limited, a company registered in England & Wales. Copies of the parent company's consolidated financial statements are available from Companies House. On 4 August 2020, the company was sold and the immediate parent undertaking became Ribble Estuary Limited, which is ultimately controlled by D Beaumont , the director.