

DC Engineering & Manufacturing Ltd
Filleted Unaudited Financial Statements
For the year ending
31 July 2021

Financial Statements

Year ended 31 July 2021

Contents

Pages

Statement of financial position

1 to 2

Notes to the financial statements

3 to 7

Statement of Financial Position
31 July 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	6	42,779	52,886
Current assets			
Stocks		38,347	31,714
Debtors	7	68,844	55,718
Cash at bank and in hand		17,938	–
		-----	-----
		125,129	87,432
Creditors: amounts falling due within one year	8	79,464	111,488
		-----	-----
Net current assets/(liabilities)		45,665	(24,056)
		-----	-----
Total assets less current liabilities		88,444	28,830
Creditors: amounts falling due after more than one year	9	118,519	32,622
Provisions			
Deferred taxation		8,128	10,048
		-----	-----
Net liabilities		(38,203)	(13,840)
		-----	-----
Capital and reserves			
Called up share capital		1,030	1,030
Profit and loss account		(39,233)	(14,870)
		-----	-----
Shareholders deficit		(38,203)	(13,840)
		-----	-----

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 July 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 .

~~DC Engineering & Manufacturing Ltd~~

Statement of Financial Position *(continued)*

31 July 2021

These financial statements were approved by the board of directors and authorised for issue on 27 April 2022 , and are signed on behalf of the board by:

M C King

Director

Company registration number: 05837775

Notes to the Financial Statements

Year ended 31 July 2021

1. General information

The company is a private limited company limited by shares, registered in England and Wales. The address of the registered office is Potton House, Wyboston Lakes, Great North Road, Wyboston, Bedford, MK44 3BZ. The principal place of business is 4-6 Steel Close, Eaton Socon, St Neots, England, PE19 8TT.

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

Going concern

During the year the UK has experienced a pandemic of the coronavirus. The potential effects to the company and its future prospects cannot be fully quantified but the directors remain committed to the protection of the business. This is being regularly reviewed by the directors who have rationalised costs and with the support of the company's bank, expect to be able to continue trading and meet the company's obligations as they fall due. Accordingly the financial statements have been prepared on a going concern basis.

Revenue recognition

The turnover shown in the statement of income and retained earnings represents goods and services provided during the year, exclusive 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 to the extent that expenses recognised are recoverable.

Taxation

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 that have originated but not reversed at the reporting date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the reporting date.

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis. Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset.

Goodwill - 10% straight line

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

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

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 per annum
Fixtures and fittings	-	20% reducing balance and 20% straight line per annum
Motor vehicles	-	25% straight line per annum
Office equipment	-	20% reducing balance and 20% straight line per annum

Stocks

Stocks of raw materials and finished goods are valued at the lower of cost and net realisable value after making allowance for obsolete and slow moving items.

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 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.

Defined contribution pension plans

Contributions to defined contribution pension 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.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 7 (2020: 8).

	Goodwill
	£
Cost	
At 1 August 2020 and 31 July 2021	55,714

Amortisation	
At 1 August 2020 and 31 July 2021	55,714

Carrying amount	
At 31 July 2021	-

At 31 July 2020	-

6. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Total £
Cost					
At 1 August 2020	155,853	4,106	3,500	8,250	171,709
Additions	5,300	-	-	-	5,300
	-----	-----	-----	-----	-----
At 31 July 2021	161,153	4,106	3,500	8,250	177,009
	-----	-----	-----	-----	-----
Depreciation					
At 1 August 2020	104,831	4,097	1,677	8,218	118,823
Charge for the year	14,523	2	875	7	15,407
	-----	-----	-----	-----	-----
At 31 July 2021	119,354	4,099	2,552	8,225	134,230
	-----	-----	-----	-----	-----
Carrying amount					
At 31 July 2021	41,799	7	948	25	42,779
	-----	-----	-----	-----	-----
At 31 July 2020	51,022	9	1,823	32	52,886
	-----	-----	-----	-----	-----

7. Debtors

	2021	2020
	£	£
Trade debtors	39,999	25,384
Other debtors	28,845	30,334
	-----	-----
	68,844	55,718
	-----	-----

8. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	18,481	38,759
Trade creditors	17,079	19,096
Social security and other taxes	16,210	25,905
Other creditors	27,694	27,728
	-----	-----
	79,464	111,488
	-----	-----

Included in other creditors are amounts totalling £7,963 (2020 £15,625) under hire purchase agreements which are secured against the assets concerned. Included in bank loans and overdrafts are amounts totalling £Nil (2020 £38,759) secured against the assets of the company.

	2021	2020
	£	£
Bank loans and overdrafts	118,519	–
Other creditors	–	32,622
	-----	-----
	118,519	32,622
	-----	-----

Included in creditors due after one year is £Nil (2020 £7,622) in respect of hire purchase agreements. The liabilities under these hire purchase agreements are secured against the assets concerned.

10. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2021	2020
	£	£
Included in debtors (note 7)	7,379	3,732
Included in provisions	(8,128)	(10,048)
	-----	-----
	(749)	(6,316)
	-----	-----

The deferred tax account consists of the tax effect of timing differences in respect of:

	2021	2020
	£	£
Accelerated capital allowances	8,128	10,048
Unused tax losses	(7,379)	(3,732)
	-----	-----
	749	6,316
	-----	-----

11. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	28,788	28,788
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