

COMPANY REGISTRATION NUMBER: 02834956

Kespar Engineering Limited

Filleted Unaudited Abridged Financial Statements

31 December 2022

Kespar Engineering Limited

Abridged Statement of Financial Position

31 December 2022

		2022	2021
	Note	£	£
Fixed assets			
Tangible assets	5	2,528,615	2,554,912
Investments	6	20,000	20,004
		<u>2,548,615</u>	<u>2,574,916</u>
Current assets			
Stocks		17,063	27,057
Debtors	7	297,668	367,422
Cash at bank and in hand		50,848	42
		<u>365,579</u>	<u>394,521</u>
Creditors: amounts falling due within one year	8	788,704	669,584
Net current liabilities		423,125	275,063
Total assets less current liabilities		2,125,490	2,299,853
Creditors: amounts falling due after more than one year	9	208,814	271,467
Provisions			
Taxation including deferred tax		30,338	30,338
Net assets		1,886,338	1,998,048
Capital and reserves			
Called up share capital		4,000	4,000
Revaluation reserve		1,221,256	1,221,256
Profit and loss account		661,082	772,792
Shareholder funds		1,886,338	1,998,048

These abridged 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 abridged statement of income and retained earnings has not been delivered.

Kespar Engineering Limited

Abridged Statement of Financial Position *(continued)*

31 December 2022

For the year ending 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The member has not required the company to obtain an audit of its abridged financial statements for the year in question in accordance with section 476 ;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of abridged financial statements .

All of the members have consented to the preparation of the abridged statement of income and retained earnings and the abridged statement of financial position for the year ending 31 December 2022 in accordance with Section 444(2A) of the Companies Act 2006.

These abridged financial statements were approved by the board of directors and authorised for issue on 28 September 2023 , and are signed on behalf of the board by:

Mr I Parkes

Director

Company registration number: 02834956

Kespar Engineering Limited

Notes to the Abridged Financial Statements

Year ended 31 December 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Johnson House, Bilston Industrial Estate, Oxford Street, Bilston, WV14 7EG.

2. Statement of compliance

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

Consolidation

The company has taken advantage of the option not to prepare consolidated abridged financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

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:

Land and buildings	-	2% straight line
Plant and machinery	-	25% reducing balance
Fixtures and fittings	-	25% reducing balance
Motor vehicles	-	25% straight line

Depreciation on land and buildings only relates to those properties not treated as investment properties and revalued accordingly at each year end.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses. Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted. Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses. Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted. Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

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 abridged 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 and the performance 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. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a 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 abridged 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 7 (2021: 11).

5. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2022	2,098,954	2,086,762	64,127	82,860	4,332,703
Additions	30,334	—	—	—	30,334
Disposals	—	(178,100)	—	—	(178,100)
Transfers	5,709	—	(5,709)	—	—
At 31 December 2022	2,134,997	1,908,662	58,418	82,860	4,184,937
Depreciation					
At 1 January 2022	37,800	1,666,231	58,418	15,342	1,777,791
Charge for the year	18,893	22,393	—	15,346	56,632
Disposals	—	(178,101)	—	—	(178,101)
At 31 December 2022	56,693	1,510,523	58,418	30,688	1,656,322
Carrying amount					
At 31 December 2022	2,078,304	398,139	—	52,172	2,528,615
At 31 December 2021	2,061,154	420,531	5,709	67,518	2,554,912

Tangible assets held at valuation

As noted in the directors report an option agreement signed in 2019 was exercised during the year and the front portion of the site sold at £2.050m. A formal valuation of the whole site made reference to the rear area that is to be retained and the residual property value is based upon this report and unchanged from that noted in 2019.

6. Investments

	£
Cost	
At 1 January 2022	20,004
Disposals	(4)
At 31 December 2022	20,000
Impairment	
At 1 January 2022 and 31 December 2022	—
Carrying amount	
At 31 December 2022	20,000
At 31 December 2021	20,004

7. Debtors

	2022	2021
	£	£
Trade debtors	240,569	244,096
Amounts owed by group undertakings and undertakings in which the company has a participating interest	4,477	52,498
Other debtors	52,622	70,828
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	297,668	367,422
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8. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	133,043	118,885
Trade creditors	108,952	115,077
Amounts owed to group undertakings	14,942	—
Amounts owed to undertakings in which the company has a participating interest	—	4
Social security and other taxes	251,010	253,703
Obligations under finance leases and hire purchase contracts	45,214	32,367
Director loan accounts	—	21,768
Other creditors	235,543	127,780
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	788,704	669,584
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The bank borrowings are secured by a debenture in the banks standard form over the assets of the company.

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

	2022	2021
	£	£
Bank loans and overdrafts	178,789	197,573
Obligations under finance leases and hire purchase contracts	30,025	73,894
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	208,814	271,467
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The Term Bank Loan is repayable over 15 years and interest is charged at 1.74% above Base Rate.

10. Related party transactions

At 31 December 2022 the company had outstanding loans due to the ultimate shareholder of £76,873 (2021: £21,768) included within other creditors. Also at the year end the company had outstanding loans due to its subsidiary companies totalling £14,942 included in creditors due within one year (2021: £49,110 included in debtors, £4 included in creditors). There is an outstanding loan at the year end due to a company which is under common control of the ultimate shareholder of £54,815 (2021: £54,639) included in creditors due within one year. All related party loans are interest-free and repayable on demand.

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