

Company registration number 03157289 (England and Wales)

PATON PRECISION ENGINEERING LTD

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

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PATON PRECISION ENGINEERING LTD

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PATON PRECISION ENGINEERING LTD

BALANCE SHEET

AS AT 31 MAY 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		219,449		258,172
Current assets					
Stocks		11,000		26,486	
Debtors	4	371,627		182,822	
Cash at bank and in hand		36,876		63,052	
		<u>419,503</u>		<u>272,360</u>	
Creditors: amounts falling due within one year	5	<u>(266,727)</u>		<u>(244,267)</u>	
Net current assets			<u>152,776</u>		<u>28,093</u>
Total assets less current liabilities			<u>372,225</u>		<u>286,265</u>
Creditors: amounts falling due after more than one year	6		(78,003)		(117,032)
Provisions for liabilities			<u>(41,700)</u>		<u>(32,900)</u>
Net assets			<u>252,522</u>		<u>136,333</u>
Capital and reserves					
Called up share capital			1,024		1,024
Profit and loss reserves			251,498		135,309
Total equity			<u>252,522</u>		<u>136,333</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 May 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

PATON PRECISION ENGINEERING LTD

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2023

The financial statements were approved by the board of directors and authorised for issue on 22 August 2023 and are signed on its behalf by:

P A James
Director

Company Registration No. 03157289

PATON PRECISION ENGINEERING LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

1 Accounting policies

Company information

Paton Precision Engineering Ltd is a private company, limited by shares and incorporated in England and Wales. The registered office is 40 Kenilworth Drive, Oadby, Leicester, LE2 5LG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	10% straight line
Plant and equipment	15% reducing balance
Fixtures and fittings	25% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs.

PATON PRECISION ENGINEERING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

1 Accounting policies (Continued)

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

PATON PRECISION ENGINEERING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
Total	20	17
	==	==

PATON PRECISION ENGINEERING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

3 Tangible fixed assets	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 June 2022	12,683	699,520	712,203
Additions	-	1,000	1,000
At 31 May 2023	<u>12,683</u>	<u>700,520</u>	<u>713,203</u>
Depreciation and impairment			
At 1 June 2022	12,683	441,348	454,031
Depreciation charged in the year	-	39,723	39,723
At 31 May 2023	<u>12,683</u>	<u>481,071</u>	<u>493,754</u>
Carrying amount			
At 31 May 2023	<u>-</u>	<u>219,449</u>	<u>219,449</u>
At 31 May 2022	<u>-</u>	<u>258,172</u>	<u>258,172</u>
4 Debtors		2023	2022
Amounts falling due within one year:		£	£
Trade debtors		371,627	180,691
Prepayments and accrued income		-	2,131
		<u>371,627</u>	<u>182,822</u>
5 Creditors: amounts falling due within one year		2023	2022
		£	£
Bank loans		11,110	11,110
Obligations under finance leases		31,397	33,766
Trade creditors		167,500	149,503
Taxation and social security		34,319	22,806
Other creditors		14,556	26,031
Accruals and deferred income		7,845	1,051
		<u>266,727</u>	<u>244,267</u>

Obligations under finance leases are secured over the assets which they financed.

PATON PRECISION ENGINEERING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

6 Creditors: amounts falling due after more than one year	2023	2022
	£	£
Bank loans and overdrafts	23,057	33,057
Obligations under finance leases	54,946	83,975
	<u>78,003</u>	<u>117,032</u>

Obligations under finance leases are secured over the assets which they financed.

7 Operating lease commitments

At the reporting end date the company had contracted for the following minimum lease payments:

2023	2022
£	£
3,300	4,500
<u>3,300</u>	<u>4,500</u>

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.