

**COMPANY REGISTRATION NUMBER: 03973440**

**Fairwood Engineering Limited**

**Filleted Unaudited Financial Statements**

**28 February 2021**

**Fairwood Engineering Limited**

**Financial Statements**

**Year ended 28 February 2021**

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## **Fairwood Engineering Limited**

### **Officers and Professional Advisers**

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**The board of directors**

Mr G M Davies

Mr C J Owen

**Company secretary**

Mr G M Davies

**Registered office**

8 Heather Rise

Jersey Marine

Neath

SA10 6LJ

**Accountants**

James & Uzzell Ltd

Chartered Certified Accountants

Axis 15, Axis Court

Mallard Way

Riverside Business Park

Swansca

SA7 0AJ

**Fairwood Engineering Limited**  
**Statement of Financial Position**  
**28 February 2021**

	<b>Note</b>	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
<b>FIXED ASSETS</b>			
Tangible assets	<b>5</b>	17,550	19,500
<b>CURRENT ASSETS</b>			
Stocks	<b>6</b>	30,961	29,965
Debtors	<b>7</b>	253,775	243,032
Cash at bank and in hand		25,052	15
		-----	-----
		309,788	273,012
<b>CREDITORS: amounts falling due within one year</b>	<b>8</b>	170,266	180,438
		-----	-----
<b>NET CURRENT ASSETS</b>		139,522	92,574
		-----	-----
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		157,072	112,074
<b>CREDITORS: amounts falling due after more than one year</b>	<b>9</b>	42,520	-
		-----	-----
<b>NET ASSETS</b>		114,552	112,074
		-----	-----
<b>CAPITAL AND RESERVES</b>			
Called up share capital	<b>10</b>	100	100
Profit and loss account		114,452	111,974
		-----	-----
<b>SHAREHOLDERS FUNDS</b>		114,552	112,074
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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 comprehensive income has not been delivered.

For the year ending 28 February 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 .

**Fairwood Engineering Limited**

**Statement of Financial Position** *(continued)*

**28 February 2021**

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These financial statements were approved by the board of directors and authorised for issue on 26 November 2021 , and are signed on behalf of the board by:

**Mr G M Davies**

Director

Company registration number: 03973440

## **Fairwood Engineering Limited**

### **Notes to the Financial Statements**

**Year ended 28 February 2021**

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#### **1. GENERAL INFORMATION**

Fairwood Engineering Limited is a private company limited by shares incorporated in England & Wales, United Kingdom. The address of the registered office is given in the company information on page 1 of these financial statements. The nature of the company's operations and principal activities is that of precision engineering.

#### **2. STATEMENT OF COMPLIANCE**

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)', Section 1A for Small Entities and the Companies Act 2006.

#### **3. ACCOUNTING POLICIES**

##### **Basis of preparation**

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £1. The reporting period of these financial statements and its comparative period is 12 months. These financial statements only include the results of the individual entity made up to 28 February 2021. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

##### **Going concern**

The directors have considered the future trading position of the company and are confident that the going concern principle can be applied to the financial statements.

##### **Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

##### **Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

##### **Leases**

Rentals payable and receivable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

##### **Provisions**

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

**Judgements and key sources of estimation uncertainty**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year are addressed below. Useful economic lives of tangible assets The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets. Impairment of debtors The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

**Research and development**

Research expenditure is written off in the period in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

**Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows: Rendering of services When the outcome of a transaction can be estimated reliably, turnover is recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to monies received. Where the outcome cannot be measured reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable. Interest receivable Interest income is recognised using the effective interest method.

**Tax**

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

### **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**

Leasehold Improvements	-	10% straight line
Plant & Machinery	-	10% straight line

### **Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

### **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.

### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received using the performance/accrual model.

### **Employee benefits**

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 12 (2020: 14 ).

#### 5. TANGIBLE ASSETS

	Leaschold improvements £	Plant and machinery £	Total £
<b>Cost</b>			
<b>At 1 March 2020 and 28 February 2021</b>	200,485	19,500	219,985
<b>Depreciation</b>			
At 1 March 2020	200,485	–	200,485
Charge for the year	–	1,950	1,950
<b>At 28 February 2021</b>	200,485	1,950	202,435
<b>Carrying amount</b>			
<b>At 28 February 2021</b>	–	17,550	17,550
At 29 February 2020	–	19,500	19,500

#### 6. STOCKS

	2021 £	2020 £
Work in progress	30,961	29,965

#### 7. DEBTORS

	2021 £	2020 £
Trade debtors	146,511	157,622
Amounts owed by group undertakings and undertakings in which the company has a participating interest	95,361	84,297
Other debtors	11,903	1,113
	253,775	243,032

#### 8. CREDITORS: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	7,480	34,545
Trade creditors	70,364	67,685
Amounts owed to group undertakings and undertakings in which the company has a participating interest	–	40,400
Social security and other taxes	89,649	33,478
Other creditors	2,773	4,330
	170,266	180,438

Bank loans and overdrafts are secured by a fixed and floating charge over the company's assets. The total amount of secured liabilities is £nil (2020: £34,545)

**9. CREDITORS: amounts falling due after more than one year**

	2021	2020
	£	£
Bank loans and overdrafts	42,520	—
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**10. CALLED UP SHARE CAPITAL****Issued, called up and fully paid**

	2021		2020	
	No.	£	No.	£
Ordinary shares of £ 1 each	100	100	100	100
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**11. FINANCIAL COMMITMENTS**

Total financial commitments, guarantees and contingencies which are not included in the balance sheet amount to £185,625 (2020: £208,125).

**12. RELATED PARTY TRANSACTIONS**

During the period the company entered into the following transactions related parties: 1. Entities with control, joint control or significant influence over the entity

	2021	2020
	£	£
Balance due (to)/from related parties	1,988	(40,400)
2. Other related parties	2021	2020
	£	£
Balance due (to)/from related parties:	93,372	84,297

No interest had been incurred on this balance.

**13. PARENT COMPANY**

The ultimate parent company is Fairwood Holdings Limited, a company registered in England & Wales. The registered office for the parent company is the same as that shown on page 1 of these financial statements.

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.