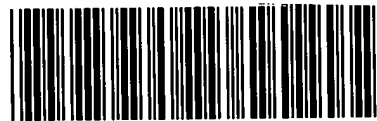


Company Registration No. 06005232 (England and Wales)

K E PRECISION LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

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K E PRECISION LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

| | Notes | 2022 | | 2021 | |
|--|-------|------------------|-----------------------|------------------|-----------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 5 | | 635,590 | | 499,561 |
| Current assets | | | | | |
| Stocks | | 40,000 | | 40,000 | |
| Debtors | 6 | 543,816 | | 484,486 | |
| Cash at bank and in hand | | 360,602 | | 196,974 | |
| | | <u>944,418</u> | | <u>721,460</u> | |
| Creditors: amounts falling due within one year | 7 | <u>(772,367)</u> | | <u>(725,865)</u> | |
| Net current assets/(liabilities) | | | <u>172,051</u> | | <u>(4,405)</u> |
| Total assets less current liabilities | | | <u>807,641</u> | | <u>495,156</u> |
| Creditors: amounts falling due after more than one year | 8 | | (167,753) | | (194,364) |
| Provisions for liabilities | 9 | | (111,093) | | (85,481) |
| Net assets | | | <u><u>528,795</u></u> | | <u><u>215,311</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 10 | | 100 | | 100 |
| Profit and loss reserves | | | <u>528,695</u> | | <u>215,211</u> |
| Total equity | | | <u><u>528,795</u></u> | | <u><u>215,311</u></u> |

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

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 Companies Act 2006 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.

K E PRECISION LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2022

The financial statements were approved by the board of directors and authorised for issue on 21/09/23 and are signed on its behalf by:

E Kot

.....

E Kot

Director

K E PRECISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

K E Precision Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 56 Drummond Drive, Nuthall, Nottingham, NG16 1BL.

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", including the adoption of the amendments issued in December 2017 ("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. The principal accounting policies adopted are set out below.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for 12 months from the signing date. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The accounts do not include any adjustments, that might be found to be necessary, should it transpire that the going concern basis is no longer appropriate.

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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Intangible fixed assets - goodwill

Goodwill arising on the acquisition of a business represents the excess of the cost of acquisition being the cash paid and the fair value of other consideration given over the fair value of the separable net assets acquired. The fair value of the acquired assets and liabilities are assessed in the year of acquisition and the subsequent year, which may impact on the goodwill recognised. Goodwill is capitalised and written off on a straight line basis over its useful economic life. Provision is made for any impairment in its value. The useful economic life is the expected period over which the company expects to derive an economic benefit, and is reviewed on annual basis.

K E PRECISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

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:

| | |
|----------------------------------|--|
| Plant and machinery | 20% reducing balance |
| Fixtures, fittings and equipment | 10% reducing balance / 10% straight line / 25% straight line |
| 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.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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 and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments 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.

K E PRECISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Financial instruments

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

Financial instruments are recognised 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 trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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 trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of 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.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

K E PRECISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Taxation (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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 statement of financial position 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.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

2 Employees

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

| | 2022 Number | 2021 Number |
|-------|----------------|----------------|
| Total | 37 | 37 |

K E PRECISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

3 Directors' remuneration and dividends

| | 2022 £ | 2021 £ |
|--------------------------------|-----------|-----------|
| Remuneration paid to directors | 30,508 | 35,230 |
| Dividends paid to directors | 144,000 | 170,250 |

4 Intangible fixed assets

| | Goodwill £ |
|--|---------------|
| Cost | |
| At 1 January 2022 and 31 December 2022 | 100,000 |
| Amortisation and impairment | |
| At 1 January 2022 and 31 December 2022 | 100,000 |
| Carrying amount | |
| At 31 December 2022 | - |
| At 31 December 2021 | - |

5 Tangible fixed assets

| | Plant and machinery £ | Fixtures, fittings and equipment £ | Motor vehicles £ | Total £ |
|------------------------------------|-----------------------------|---|------------------------|------------|
| Cost | | | | |
| At 1 January 2022 | 1,266,190 | 189,257 | 136,017 | 1,591,464 |
| Additions | 164,910 | - | 119,974 | 284,884 |
| Disposals | (19,496) | - | (21,529) | (41,025) |
| At 31 December 2022 | 1,411,604 | 189,257 | 234,462 | 1,835,323 |
| Depreciation and impairment | | | | |
| At 1 January 2022 | 866,563 | 144,541 | 80,799 | 1,091,903 |
| Depreciation charged in the year | 99,013 | 11,353 | 32,007 | 142,373 |
| Eliminated in respect of disposals | (18,738) | - | (15,805) | (34,543) |
| At 31 December 2022 | 946,838 | 155,894 | 97,001 | 1,199,733 |
| Carrying amount | | | | |
| At 31 December 2022 | 464,766 | 33,363 | 137,461 | 635,590 |
| At 31 December 2021 | 399,627 | 44,716 | 55,218 | 499,561 |

K E PRECISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

| 6 Debtors | 2022 | 2021 |
|--------------------------------------|----------------|----------------|
| Amounts falling due within one year: | £ | £ |
| Trade debtors | 499,110 | 462,687 |
| Other debtors | 44,706 | 21,799 |
| | <u>543,816</u> | <u>484,486</u> |

| 7 Creditors: amounts falling due within one year | 2022 | 2021 |
|--|----------------|----------------|
| | £ | £ |
| Bank loans and overdrafts | 246,610 | 342,879 |
| Trade creditors | 125,303 | 80,430 |
| Corporation tax | 103,065 | 96,765 |
| Other taxation and social security | 137,216 | 114,652 |
| Other creditors | 160,173 | 91,139 |
| | <u>772,367</u> | <u>725,865</u> |

Included within creditors due within one year are obligations under hire purchase contracts of £89,605 (2021: £73,597) which are secured by fixed charges on the assets concerned.

See note 9 for details of bank loan.

| 8 Creditors: amounts falling due after more than one year | 2022 | 2021 |
|---|----------------|----------------|
| | £ | £ |
| Bank loans and overdrafts | 29,098 | 38,885 |
| Other creditors | 138,655 | 155,479 |
| | <u>167,753</u> | <u>194,364</u> |

Included within creditors due after one year are obligations under hire purchase contracts of £138,655 (2021: £155,479) which are secured by fixed charges on the assets concerned.

During the year ended 31 December 2020, the company received a bank loan of £50,000 through the Coronavirus Business Interruption Loan Scheme ("CBILS"). This loan is secured by way of a fixed and floating charge against the company's assets, plus a guarantee of 100% of the loan value by the UK government. At the year end the balance on this loan was £38,885 (2022: £48,432).

| 9 Provisions for liabilities | 2022 | 2021 |
|------------------------------|----------------|---------------|
| | £ | £ |
| Deferred tax liabilities | <u>111,093</u> | <u>85,481</u> |

K E PRECISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

10 Called up share capital

| | 2022 | 2021 | 2022 | 2021 |
|---|------------|------------|------------|------------|
| | Number | Number | £ | £ |
| Ordinary share capital Issued and fully paid | | | | |
| Ordinary A shares of £1 each | 55 | 55 | 55 | 55 |
| Ordinary B shares of £1 each | 30 | 30 | 30 | 30 |
| Ordinary C shares of £1 each | 15 | 15 | 15 | 15 |
| | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |

11 Directors' transactions

During the year the directors' loan account of Mr E Kot & Mrs G Kot was credited with capital introduced of £3,220 (2021: £6,000), dividends of £144,000 (2021: £170,250) and debited with drawings of £150,000 (2021: £179,250). At the year end the directors owed £11,367 (2021: £8,587) in respect of their directors' loan account. This amount is interest free and repayable on demand, and is included within other debtors.

At the year end, £45,000 (2021: £nil) was owed to a shareholder of the company. This balance is included within other creditors.

During the year the company paid rent of £60,000 (2021: £45,000) to the directors. The rate charged was below market value.