

COMPANY REGISTRATION NUMBER: 07563005

AEC Engineering Limited
Filleted Unaudited Financial Statements
31 March 2021

AEC Engineering Limited

Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	6	38,622	33,470
Current assets			
Stocks		30,900	30,934
Debtors	7	500	2,342
Cash at bank and in hand		322	3,647
		-----	-----
		31,722	36,923
Creditors: amounts falling due within one year	8	118,337	131,997
		-----	-----
Net current liabilities		86,615	95,074
		-----	-----
Total assets less current liabilities		(47,993)	(61,604)
Creditors: amounts falling due after more than one year	9	18,611	5,278
Provisions		(15,554)	(15,144)
		-----	-----
Net liabilities		(51,050)	(51,738)
		-----	-----
Capital and reserves			
Called up share capital		100	100
Profit and loss account		(51,150)	(51,838)
		-----	-----
Shareholders deficit		(51,050)	(51,738)
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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 income and retained earnings has not been delivered.

For the year ending 31 March 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 .

AEC Engineering Limited

Statement of Financial Position *(continued)*

31 March 2021

These financial statements were approved by the board of directors and authorised for issue on 22 December 2021, and are signed on behalf of the board by:

Mr P R Salmon

Mrs A Salmon

Director

Director

Company registration number: 07563005

AEC Engineering Limited

Notes to the Financial Statements

Year ended 31 March 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 13 Penymaes Avenue, Wrexham, LL12 7AP.

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

The accounts were prepared on a going concern basis due to the continued support of the directors and the steps taken to improve the company performance. The company was adversely affected by Covid-19 and the company benefited from state support, but the directors remain confident that the trading position will improve and that the company will return to profit.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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.

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 at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

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

Goodwill - 20% 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. 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:

Long leasehold property	-	Straight line over 10 years
Plant and machinery	-	15% straight line

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 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.

Financial instruments

The following assets and liabilities within the accounts are classified as financial instruments - trade debtors, trade creditors and directors loans. Directors loans (being repayable upon demand), trade debtors and trade creditors, are measured at the undiscounted amount of cash or other consideration expected to be paid or received. Financial assets that are measured at amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If such evidence is found, an impairment loss is recognised in the statement of Income and Retained Earnings.

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 2 (2020: 2).

5. Intangible assets

	Goodwill
	£
Cost	
At 1 April 2020 and 31 March 2021	109,996

Amortisation	
At 1 April 2020 and 31 March 2021	109,996

Carrying amount	
At 31 March 2021	-

At 31 March 2020	-

6. Tangible assets

	Long leasehold property	Plant and machinery	Total
	£	£	£
Cost			
At 1 April 2020	29,619	63,838	93,457
Additions	-	13,448	13,448
Disposals	-	(5,631)	(5,631)
	-----	-----	-----
At 31 March 2021	29,619	71,655	101,274
	-----	-----	-----
Depreciation			
At 1 April 2020	3,855	56,132	59,987
Charge for the year	2,962	5,274	8,236
Disposals	-	(5,571)	(5,571)
	-----	-----	-----
At 31 March 2021	6,817	55,835	62,652
	-----	-----	-----
Carrying amount			
At 31 March 2021	22,802	15,820	38,622
	-----	-----	-----
At 31 March 2020	25,764	7,706	33,470
	-----	-----	-----

7. Debtors

	2021	2020
	£	£
Trade debtors	500	2,342
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8. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	6,666	3,333
Trade creditors	1,269	16,466
Social security and other taxes	3,600	3,388
Other creditors	106,802	108,810
	-----	-----
	118,337	131,997
	-----	-----

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

	2021	2020
	£	£
Bank loans and overdrafts	18,611	5,278
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10. Directors' advances, credits and guarantees

The directors operated a loan account with the company in the period. The opening balance of the loan account was £99,436 in credit and the closing balance was £107,489 in credit. The loan is interest free, and repayable upon demand.

11. Related party transactions

The company is situated on a site which was owned by the director's brother. Late in the year the director and his family acquired the land and gave the company use of the premises rent free for the remaining period. No further transactions with related parties were entered into in the year that require disclosure.

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.