

REGISTRAR OF COMPANIES

Registration number: SC621023

**A & R Mechanical Engineering & Recovery
Services Ltd
Unaudited Financial Statements
28 February 2025**



A & R Mechanical Engineering & Recovery Services Ltd

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**Chartered Accountants' Report to the Board of Directors on the Preparation of the
Unaudited Statutory Accounts of
A & R Mechanical Engineering & Recovery Services Ltd
for the Year Ended 28 February 2025**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of A & R Mechanical Engineering & Recovery Services Ltd for the year ended 28 February 2025 as set out on pages 2 to 10 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/regulation>.

This report is made solely to the Board of Directors of A & R Mechanical Engineering & Recovery Services Ltd, as a body, in accordance with the terms of our engagement letter dated 8 November 2024. Our work has been undertaken solely to prepare for your approval the accounts of A & R Mechanical Engineering & Recovery Services Ltd and state those matters that we have agreed to state to the Board of Directors of A & R Mechanical Engineering & Recovery Services Ltd, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than A & R Mechanical Engineering & Recovery Services Ltd and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that A & R Mechanical Engineering & Recovery Services Ltd has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of A & R Mechanical Engineering & Recovery Services Ltd. You consider that A & R Mechanical Engineering & Recovery Services Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of A & R Mechanical Engineering & Recovery Services Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Dodd & Co Limited

Chartered Accountants

Clint Mill

Commarket

PENRITH

CA11 7HW

15 August 2025

A & R Mechanical Engineering & Recovery Services Ltd

(Registration number: SC621023)
Balance Sheet as at 28 February 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	<u>4</u>	472,119	534,992
Current assets			
Stocks		408,715	183,285
Debtors	<u>5</u>	48,015	166,642
Cash at bank and in hand		150	150
		456,880	350,077
Creditors: Amounts falling due within one year	<u>6</u>	(718,149)	(604,993)
Net current liabilities		(261,269)	(254,916)
Total assets less current liabilities		210,850	280,076
Creditors: Amounts falling due after more than one year	<u>6</u>	(90,387)	(72,123)
Provisions for liabilities		(20,244)	(32,151)
Net assets		100,219	175,802
Capital and reserves			
Allotted, called up and fully paid share capital		20	20
Profit and loss account		100,199	175,782
Total equity		100,219	175,802

A & R Mechanical Engineering & Recovery Services Ltd

(Registration number: SC621023)

Balance Sheet as at 28 February 2025 (continued)

For the financial year ending 28 February 2025 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 accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime. As permitted by section 444 (5A) of the Companies Act 2006, the directors have not delivered to the registrar a copy of the Profit and Loss Account.

Approved and authorised by the Board on 15 August 2025 and signed on its behalf by:

.....

M J Robertson

Director

.....

D Alexander

Director

A & R Mechanical Engineering & Recovery Services Ltd

Notes to the Unaudited Financial Statements for the Year Ended 28 February 2025

1 General information

The company is a private company limited by share capital, incorporated in Scotland.

The address of its registered office is:

Main Street
Castletown
Thurso
CAITHNESS
KW14 8TU

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The company has net current liabilities at 28 February 2025 and meets its day to day working capital requirements through its bank overdraft facility which, in common with all such facilities, is repayable on demand. In addition the directors have provided financial support by way of short term loans. On the basis of this support, the directors consider it appropriate to prepare the financial statements on the going concern basis.

However, should the company not have the support of its bankers, and therefore be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify fixed assets and long term liabilities as current assets and current liabilities.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

A & R Mechanical Engineering & Recovery Services Ltd

Notes to the Unaudited Financial Statements for the Year Ended 28 February 2025 (continued)

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings	Not depreciated and 2% straight line basis
Plant and equipment	10% reducing balance basis

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for the sale of goods or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Trading stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. The cost of livestock represents the purchase cost plus any additional costs of rearing the animal. Net realisable value is based on selling price less anticipated selling costs. Crop stock is valued at fair value less any anticipated costs to sell.

A & R Mechanical Engineering & Recovery Services Ltd

Notes to the Unaudited Financial Statements for the Year Ended 28 February 2025 (continued)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method where due after more than one year.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

A & R Mechanical Engineering & Recovery Services Ltd

Notes to the Unaudited Financial Statements for the Year Ended 28 February 2025 (continued)

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 9 (2024 - 9).

A & R Mechanical Engineering & Recovery Services Ltd

Notes to the Unaudited Financial Statements for the Year Ended 28 February 2025 (continued)

4 Tangible assets

	Land and buildings £	Plant and equipment £	Total £
Cost or valuation			
At 1 March 2024	214,813	441,677	656,490
Additions	-	97,170	97,170
Disposals	-	(183,076)	(183,076)
	214,813	355,771	570,584
At 28 February 2025	214,813	355,771	570,584
Depreciation			
At 1 March 2024	13,083	108,415	121,498
Charge for the year	2,095	30,260	32,355
Eliminated on disposal	-	(55,388)	(55,388)
	15,178	83,287	98,465
At 28 February 2025	15,178	83,287	98,465
Carrying amount			
At 28 February 2025	199,635	272,484	472,119
At 29 February 2024	201,730	333,262	534,992

5 Debtors

	2025 £	2024 £
Trade debtors	37,815	160,842
Other debtors	10,200	5,800
	48,015	166,642

A & R Mechanical Engineering & Recovery Services Ltd

Notes to the Unaudited Financial Statements for the Year Ended 28 February 2025 (continued)

6 Creditors

	Note	2025 £	2024 £
Due within one year			
Loans and borrowings	<u>7</u>	330,747	366,480
Trade creditors		122,366	164,334
Taxation and social security		54,199	2,588
Other creditors		210,837	71,591
		718,149	604,993
Due after one year			
Loans and borrowings	<u>7</u>	90,387	72,123

7 Loans and borrowings

	2025 £	2024 £
Current loans and borrowings		
Bank borrowings	21,765	21,361
Bank overdrafts	79,607	113,898
Finance lease liabilities	26,952	12,976
Other borrowings	202,423	218,245
	330,747	366,480

Current loans and borrowings includes the following liabilities, on which security has been given by the company:

	2025 £	2024 £
Bank borrowings	21,765	21,361
Bank overdrafts	79,607	113,898
Finance lease liabilities	26,952	12,976
	128,324	148,235

The company has provided assets as security in respect of bank overdrafts and borrowings, which contains a negative pledge.
Finance lease liabilities are secured on the assets to which they relate.

A & R Mechanical Engineering & Recovery Services Ltd

Notes to the Unaudited Financial Statements for the Year Ended 28 February 2025 (continued)

	2025 £	2024 £
Non-current loans and borrowings		
Bank borrowings	23,994	43,686
Finance lease liabilities	66,393	28,437
	<u>90,387</u>	<u>72,123</u>

Non-current loans and borrowings includes the following liabilities, on which security has been given by the company:

	2025 £	2024 £
Bank borrowings	23,994	43,686
Finance lease liabilities	66,393	28,437
	<u>90,387</u>	<u>72,123</u>

The company has provided assets as security in respect of bank borrowings, which contains a negative pledge
Finance lease liabilities are secured on the assets to which they relate.

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.