

COMPANY REGISTRATION NUMBER: 1147082

SL Engineering Ltd

Filleted Unaudited Financial Statements

For the period ended

31 December 2019

SL Engineering Ltd
Statement of Financial Position

31 December 2019

	Note	31 Dec 19 £	28 Feb 19 £
Fixed assets			
Tangible assets	5	1,079,891	1,219,005
Current assets			
Stocks		2,110,924	1,984,693
Debtors	6	1,221,516	1,403,011
Cash at bank and in hand		22,695	360
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		3,355,135	3,388,064
Creditors: amounts falling due within one year	7	1,839,876	2,332,452
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Net current assets		1,515,259	1,055,612
		-----	-----
Total assets less current liabilities		2,595,150	2,274,617
		-----	-----
Creditors: amounts falling due after more than one year	8	539,524	292,360
Provisions			
Taxation including deferred tax		85,311	103,339
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Net assets		1,970,315	1,878,918
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SL Engineering Ltd

Statement of Financial Position *(continued)*

31 December 2019

	Note	31 Dec 19 £	28 Feb 19 £
Capital and reserves			
Called up share capital		10,000	10,000
Profit and loss account		1,960,315	1,868,918
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Shareholders funds		1,970,315	1,878,918
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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 period ending 31 December 2019 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 period 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 .

These financial statements were approved by the board of directors and authorised for issue on 21 December 2020 , and are signed on behalf of the board by:

J L Pickard

Director

S C Stevenson

Director

Company registration number: 1147082

SL Engineering Ltd

Notes to the Financial Statements

Period from 1 March 2019 to 31 December 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Temple Road, Aslackby, Sleaford, Lincs, NG34 0HJ.

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.

Research & development

Research and Development expenditure is written off in the period in which it is incurred.

Going concern

During 2020 the worldwide spread of Coronavirus has occurred and from March 2020 is affecting the UK. This will affect how the Company operates and the markets it operates in. The company is making appropriate adjustments in terms of how it operates and to protect its employees. The UK Government is to provide a package of financial support to protect companies and these will be accessed as is necessary. The effects of the virus are likely to have a negative impact on 2020 results, but the directors believe that the impact will be temporary.

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. The judgements (apart from those involving estimations) are those that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:- Depreciation The annual depreciation charge for each class of tangible fixed asset is based on an estimate of the useful economic life of the respective assets. This is reviewed periodically by the directors to ensure that they reflect both the external and internal factors. Recognition of turnover and on-going contracts at the year end Turnover is recognised when the outcome of a transaction involving the rendering of on going contracts can be reliably estimated. Turnover from the rendering of such contracts is measured by reference to the stage of completion of the contract transaction at the end of the reporting period. When the outcome of a transaction involving the rendering of on-going contracts cannot be reliably estimated, turnover is recognised only to the extent that expenses recognised are recoverable.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Income tax

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 material 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.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

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:

Freehold Property	-	2% straight line
Plant & Machinery	-	10%, 14% & 20% straight line
Office Equipment	-	20% straight line
Motor Vehicles	-	25% 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.

Finance leases and hire purchase contracts

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance 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. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Financial instruments

The company holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the company and their measurement basis are as follows: Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at amortised cost. Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

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.

Government grants

Revenue based grants are written off the statement of income and retained earnings as and when the relevant expenditure has been incurred. Capital based grants are recognised in the statement of income and retained earnings over the life of the asset to which it relates (i.e matched with the relevant depreciation charges).

4. Employee numbers

The average number of persons employed by the company during the period amounted to 85 (2019: 86).

5. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 March 2019	407,451	2,929,239	224,549	2,295	3,563,534
Additions	–	29,858	7,426	–	37,284
At 31 December 2019	407,451	2,959,097	231,975	2,295	3,600,818
Depreciation					
At 1 March 2019	106,524	2,065,722	170,131	2,152	2,344,529
Charge for the period	4,065	157,806	14,385	142	176,398
At 31 December 2019	110,589	2,223,528	184,516	2,294	2,520,927
Carrying amount					
At 31 December 2019	296,862	735,569	47,459	1	1,079,891
At 28 February 2019	300,927	863,517	54,418	143	1,219,005

The Directors believe the property included in the balance sheet has an open market value in excess of the value included in the accounts but have not considered it necessary to undertake a formal valuation. Included within Land and Buildings is land valued at £152,000 which has not been depreciated.

6. Debtors

	31 Dec 19 £	28 Feb 19 £
Trade debtors	830,739	1,072,495
Other debtors	390,777	330,516
	1,221,516	1,403,011

7. Creditors: amounts falling due within one year

	31 Dec 19	28 Feb 19
	£	£
Bank loans and overdrafts	506,646	620,877
Trade creditors	678,742	1,067,426
Social security and other taxes	161,279	90,318
Other creditors	493,209	553,831
	<u>1,839,876</u>	<u>2,332,452</u>

Bank loans are secured on assets held in the company.

The bank overdraft of £472,639 (February 2019 - £Nil) relates to a Recourse Invoice Discounting Facility which is secured on the assets to which it relates.

Included in other creditors are hire purchase liabilities of £153,846 (February 2019 - £169,779) which are secured on the assets to which they relate.

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

	31 Dec 19	28 Feb 19
	£	£
Bank loans and overdrafts	354,977	–
Other loans	2,483	10,814
Other creditors	182,064	281,546
	<u>539,524</u>	<u>292,360</u>

Bank loans and overdrafts are secured on assets held in the company.

Included in other creditors are hire purchase liabilities of £162,064 (February 2019 - £261,546) which are secured on the assets to which they relate.

Included in other creditors are loans of £20,000 (February 2019 - £20,000) made by two directors which are secured on assets held in the company.

9. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	31 Dec 19	28 Feb 19
	£	£
Not later than 1 year	2,400	2,400
Later than 1 year and not later than 5 years	5,400	7,200
	<u>7,800</u>	<u>9,600</u>

10. Directors' advances, credits and guarantees

During the year the directors maintained loan accounts with the company. Directors A and B each owed £3,336 to the company at the start of the period. During the period they each withdrew funds totalling £41,700 and introduced cash totalling £41,350. At the end of the period each of directors A and B owed the company £3,686. No interest was charged and the loans are repayable on demand. All other directors loans remained in credit throughout the year.

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.