Registration number: SC098188

Phoenix Precision Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2019

Morris & Young
Chartered Accountants
6 Atholl Crescent
PERTH
PH1 5JN

Phoenix Precision Limited

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Phoenix Precision Limited

Company Information

Directors	Mr Ian Moffat Mrs Lynne Moffat
Company secretary	Purple Venture Secretaries Limited
Registered office	1 George Square Castle Brae DUNFERMLINE Fife KY11 8QF
Trading office	Crompton Road Southfield Industrial Estate GLENROTHES Fife KY6 2SF
Solicitors	Young & Partners LLP 1 George Square Castle Brae DUNFERMLINE Fife KY11 8QF
Accountants	Morris & Young Chartered Accountants 6 Atholl Crescent PERTH PH1 5JN

Phoenix Precision Limited

(Registration number: SC098188)
Statement of Financial Position as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	835,647	919,349
Current assets			
Stocks	6	137,047	36,649
Debtors	7	571,540	381,006
Cash at bank and in hand		777,574	596,889
		1,486,161	1,014,544
Creditors: Amounts falling due within one year	8	(862,534)	(646,221)
Net current assets		623,627	368,323
Total assets less current liabilities		1,459,274	1,287,672
Creditors: Amounts falling due after more than one year	8	(186,381)	(229,357)
Provisions for liabilities		(60,151)	(49,081)
Net assets		1,212,742	1,009,234
Capital and reserves			
Called up share capital	9	30,313	30,313
Revaluation reserve		78,230	116,580
Profit and loss account		1,104,199	862,341
Total equity		1,212,742	1,009,234

The notes on pages 5 to 12 form an integral part of these financial statements.

Phoenix Precision Limited

(Registration number: SC098188)
Statement of Financial Position as at 31 December 2019

For the financial year 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 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 accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 8 May 2020 and signed on its behalf by:

Ian Moffat

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Mr Ian Moffat
Director

Lynne Moffat

....

Mrs Lynne Moffat
Director

Phoenix Precision Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2019	30,313	116,580	862,341	1,009,234
Profit for the year	-	-	241,858	241,858
Other comprehensive income	-	(38,350)	-	(38,350)
Total comprehensive income	-	(38,350)	241,858	203,508
At 31 December 2019	30,313	78,230	1,104,199	1,212,742

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2018	30,313	116,580	745,363	892,256
Profit for the year	-	-	116,978	116,978
Total comprehensive income	-	-	116,978	116,978
At 31 December 2018	30,313	116,580	862,341	1,009,234

The notes on pages 5 to 12 form an integral part of these financial statements.

Phoenix Precision Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

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

The address of its registered office is:
1 George Square
Castle Brae
DUNFERMLINE
Fife
KY11 8QF

The principal place of business is:
Crompton Road
Southfield Industrial Estate
GLENROTHES
Fife
KY6 2SF

These financial statements were authorised for issue by the Board on 8 May 2020.

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 financial statements are presented in Sterling (£). The financial statements are rounded to the nearest £1.

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 current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tangible assets

Tangible assets are stated in the statement of financial position at cost or valuation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The land and buildings were valued on a market value basis.

Depreciation

Tangible fixed assets other than buildings are stated at cost less depreciation. The Directors are of the opinion that the property is maintained to a high standard throughout a programme of refurbishment and maintenance. The expenditure is written off to the profit & loss account. As a consequence the life of the property and it's residual value are usch that any depreciation charge would be immaterial.

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**
Plant and machinery	10% to 100% straight line
Fixtures and fittings	20% to 33.3% straight line

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 merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price.

Stocks
Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

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 recognised initially at the transaction price.

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
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 Statement of Financial Position 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.

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 36 (2018 - 37).

4 Taxation

The total amount of corporation tax provided for in the accounts is £64,013 (2018 - £44,511).

The total amount of deferred tax movement recognised in the profit and loss account is £7,280 (2018 - £17,073).

Taxation

	2018	2017
	£	£
Corporation Tax	64,013	44,511
Deferred Tax	(7,280)	(17,073)
	56,733	27,438

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 January 2019	520,000	3,026,282	3,546,282
Revaluations	(20,000)	-	(20,000)
Additions	-	74,421	74,421
At 31 December 2019	500,000	3,100,703	3,600,703
Depreciation			
At 1 January 2019	-	2,626,933	2,626,933
Charge for the year	-	138,123	138,123
At 31 December 2019	-	2,765,056	2,765,056
Carrying amount			
At 31 December 2019	500,000	335,647	835,647
At 31 December 2018	520,000	399,349	919,349

Included within the net book value of land and buildings above is £500,000 (2018 - £520,000) in respect of freehold land and buildings.

Revaluation

The freehold land and buildings was revalued on 30 March 2020 by D H Hall, Chartered Surveyor who is external to the company. The basis of this valuation was open market value. This class of assets has a historical cost value of £500,000 (2018 - £500,000).

6 Stocks

	2019 £	2018 £
Work in progress	5,781	16,282
Other inventories	131,266	20,367
	137,047	36,649

Phoenix Precision Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

7 Debtors

	2019 £	2018 £
Trade debtors	571,540	381,006
	571,540	381,006

8 Creditors

Creditors: amounts falling due within one year

	Note	2019 £	2018 £
Due within one year			
Bank loans and overdrafts	11	494,305	308,447
Trade creditors		107,915	126,523
Taxation and social security		51,832	50,102
Accruals and deferred income		137,439	102,700
Other creditors		71,043	58,449
		862,534	646,221

Creditors: amounts falling due after more than one year

	Note	2019 £	2018 £
Due after one year			
Loans and borrowings	11	186,381	229,357

	2019 £	2018 £
After more than five years by instalments	-	24,990

9 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	**£**	**No.**	**£**
Ordinary shares of £1 each of £1 each	30,313	30,313	30,313	30,313

10 Reserves

The changes to each component of equity resulting from items of other comprehensive income for the current year were as follows:

	Revaluation reserve £	Total £
Surplus/(deficit) on property, plant and equipment revaluation	(38,350)	(38,350)

During the year ended 31 December 2019, the property was revalued, resulting in a revaluation movement of £20,000 (2018: £nil).

Deferred tax at a rate of 19% has also been recognised on the revaluation reserve, resulting in a revaluation movement of £18,350 (2018: £nil).

11 Loans and borrowings

	2019 £	2018 £
Non-current loans and borrowings		
Bank borrowings	186,381	229,357

	2019 £	2018 £
Current loans and borrowings		
Bank borrowings	51,092	51,091
Bank overdrafts	403,661	257,356
Finance lease liabilities	39,552	-
	494,305	308,447

Bank borrowings

The term loan is denominated in Sterling (£) with a nominal interest rate of 2.75%%, and the final instalment is due on 28 December 2023. The carrying amount at year end is £237,473 (2018 - £280,449).

The loan is secured over the assets of the Company.

Other borrowings

The carrying amount of Finance lease liabilities at year end is £39,552 (2018 - £Nil).

Finance lease liabilities are secured against the assets to which they relate.

Included in the loans and borrowings are the following amounts due after more than five years:

Bank loans and overdrafts after five years

The term loan liability includes £nil (2018 - £24,990) due after five years. The current applied interest rate is 2.75%.