

**Unaudited Financial Statements
for the Year Ended 31 May 2020
for
Alpha Engineering Solutions Limited**

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for the Year Ended 31 May 2020**

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Balance Sheet
31 May 2020

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Tangible assets	4		926,093		864,283
CURRENT ASSETS					
Stocks		480,149		465,002	
Debtors	5	260,984		361,603	
Cash at bank and in hand		<u>22,663</u>		<u>1,772</u>	
		763,796		828,377	
CREDITORS					
Amounts falling due within one year	6	<u>642,455</u>		<u>779,253</u>	
NET CURRENT ASSETS			<u>121,341</u>		<u>49,124</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,047,434</u>		<u>913,407</u>
CREDITORS					
Amounts falling due after more than one year	7		(329,146)		(226,095)
PROVISIONS FOR LIABILITIES			<u>(103,422)</u>		<u>(89,687)</u>
NET ASSETS			<u>614,866</u>		<u>597,625</u>
CAPITAL AND RESERVES					
Called up share capital			155		155
Capital redemption reserve			45		45
Retained earnings			<u>614,666</u>		<u>597,425</u>
SHAREHOLDERS' FUNDS			<u>614,866</u>		<u>597,625</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 May 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 May 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

Balance Sheet - continued
31 May 2020

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 21 October 2020 and were signed on its behalf by:

Mr L Stephenson - Director

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 May 2020**

1. STATUTORY INFORMATION

Alpha Engineering Solutions Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address are as below:

Registered number: 03454324

Registered office: Unit 2 Pit Lane
Jamage Industrial Unit
Talke Pitts
Stoke-on-Trent
Staffordshire
ST7 1UH

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being the 12 month period from the date of these accounts being approved, given the impact of the Coronavirus upon the economy and therefore the financial statements have been prepared on a going concern basis.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax. Revenue is recognised as the company becomes entitled to consideration for the goods supplied.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- NIL % per annum
Plant and machinery	- 33% on cost and 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

**Notes to the Financial Statements - continued
for the Year Ended 31 May 2020**

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Government grants

Government grants are credited to deferred income. Grants relating to capital expenditure are released to the profit and loss account over the expected useful life of the assets.

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Notes to the Financial Statements - continued
for the Year Ended 31 May 2020

2. ACCOUNTING POLICIES - continued

Debt factoring

The company used a factoring agent to raise finance on debts from their customers. The gross amounts of factored debts at the balance sheet date are included within trade debtors.

The balance of the amounts payable to the factoring agent at the balance sheet date is included in other creditors.

Factoring charges are recognised as they accrue and are included in the profit and loss account with other finance costs.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 33 (2019 - 35) .

4. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 June 2019	320,580	1,723,963	155,435	23,298	2,223,276
Additions	-	185,588	1,177	-	186,765
Disposals	-	(25,884)	-	-	(25,884)
At 31 May 2020	<u>320,580</u>	<u>1,883,667</u>	<u>156,612</u>	<u>23,298</u>	<u>2,384,157</u>
DEPRECIATION					
At 1 June 2019	-	1,233,757	119,412	5,824	1,358,993
Charge for year	-	110,674	5,580	4,369	120,623
Eliminated on disposal	-	(21,552)	-	-	(21,552)
At 31 May 2020	-	<u>1,322,879</u>	<u>124,992</u>	<u>10,193</u>	<u>1,458,064</u>
NET BOOK VALUE					
At 31 May 2020	<u>320,580</u>	<u>560,788</u>	<u>31,620</u>	<u>13,105</u>	<u>926,093</u>
At 31 May 2019	<u>320,580</u>	<u>490,206</u>	<u>36,023</u>	<u>17,474</u>	<u>864,283</u>

Notes to the Financial Statements - continued
for the Year Ended 31 May 2020

4. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 June 2019	510,926	23,298	534,224
Additions	165,000	-	165,000
Transfer to ownership	(319,000)	-	(319,000)
At 31 May 2020	<u>356,926</u>	<u>23,298</u>	<u>380,224</u>
DEPRECIATION			
At 1 June 2019	377,877	5,824	383,701
Charge for year	24,750	4,369	29,119
Transfer to ownership	(198,689)	-	(198,689)
At 31 May 2020	<u>203,938</u>	<u>10,193</u>	<u>214,131</u>
NET BOOK VALUE			
At 31 May 2020	<u>152,988</u>	<u>13,105</u>	<u>166,093</u>
At 31 May 2019	<u>133,049</u>	<u>17,474</u>	<u>150,523</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	255,323	352,603
Other debtors	5,661	9,000
	<u>260,984</u>	<u>361,603</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Bank loans and overdrafts	19,607	21,905
Hire purchase contracts	79,672	84,863
Trade creditors	176,186	197,621
Taxation and social security	184,790	102,087
Other creditors	182,200	372,777
	<u>642,455</u>	<u>779,253</u>

Notes to the Financial Statements - continued
for the Year Ended 31 May 2020

7. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020	2019
	£	£
Bank loans	134,259	99,787
Hire purchase contracts	173,273	107,700
Other creditors	21,614	18,608
	<u>329,146</u>	<u>226,095</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans more 5 yr by instal	<u>-</u>	<u>12,168</u>

8. **SECURED DEBTS**

The following secured debts are included within creditors:

	2020	2019
	£	£
Hire purchase contracts	252,945	192,563
Bank loans	103,867	121,691
Factoring Account	111,748	273,958
	<u>468,560</u>	<u>588,212</u>

The bank loans are secured against the land and buildings at Unit 2 Pit Lane, Jamage Industrial Estate, Talke Pits, Stoke-on-Trent, ST7 1UH.

The Royal Bank of Scotland Commercial Services Limited have a fixed and floating charge over all the assets owned by Alpha Engineering Solutions Limited.