

Specialist Cutting Services Limited

Annual Report and Unaudited Financial Statements - Companies House Filing
for the Year Ended 30 June 2019

Stewart & Co
Chartered Accountants
Knoll House
Knoll Road
Camberley
Surrey
GU15 3SY

Specialist Cutting Services Limited

Contents

Company Information	<u>1</u>
Accountants' Report	<u>2</u>
Statement of Financial Position	<u>3</u> to <u>4</u>
Notes to the Unaudited Financial Statements	<u>5</u> to <u>11</u>

Specialist Cutting Services Limited

Company Information

Directors Mr S Cook
Mrs M Cook
Mr J Cook
Mr A Egby
Mr L L Smith

Company secretary Mrs M Cook

Registered office Knoll House
Knoll Road
Camberley
Surrey
GU15 3SY

Accountants Stewart & Co
Chartered Accountants
Knoll House
Knoll Road
Camberley
Surrey
GU15 3SY

**Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited
Statutory Accounts of
Specialist Cutting Services Limited
for the Year Ended 30 June 2019**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Specialist Cutting Services Limited for the year ended 30 June 2019 as set out on pages 3 to 11 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/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Specialist Cutting Services Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Specialist Cutting Services Limited and state those matters that we have agreed to state to the Board of Directors of Specialist Cutting Services Limited, 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 Specialist Cutting Services Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Specialist Cutting Services Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Specialist Cutting Services Limited. You consider that Specialist Cutting Services Limited 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 Specialist Cutting Services Limited. 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.

.....
Stewart & Co
Chartered Accountants
Knoll House
Knoll Road
Camberley
Surrey
GU15 3SY

20 March 2020

Specialist Cutting Services Limited

(Registration number: 03300243)

Statement of Financial Position as at 30 June 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	<u>4</u>	757,940	468,184
Current assets			
Stocks	<u>5</u>	10,620	10,210
Debtors	<u>6</u>	791,802	376,887
Cash at bank and in hand		<u>671,179</u>	<u>916,038</u>
		1,473,601	1,303,135
Creditors: Amounts falling due within one year	<u>7</u>	<u>(894,117)</u>	<u>(372,629)</u>
Net current assets		<u>579,484</u>	<u>930,506</u>
Total assets less current liabilities		1,337,424	1,398,690
Creditors: Amounts falling due after more than one year	<u>7</u>	(115,992)	-
Provisions for liabilities		<u>(137,488)</u>	<u>(80,798)</u>
Net assets		<u>1,083,944</u>	<u>1,317,892</u>
Capital and reserves			
Called up share capital		200	200
Profit and loss account		<u>1,083,744</u>	<u>1,317,692</u>
Total equity		<u>1,083,944</u>	<u>1,317,892</u>

For the financial year ending 30 June 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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Income Statement has been taken.

The notes on pages 5 to 11 form an integral part of these financial statements.

Specialist Cutting Services Limited

(Registration number: 03300243)

Statement of Financial Position as at 30 June 2019

Approved and authorised by the Board on 20 March 2020 and signed on its behalf by:

.....

Mr J Cook
Director

The notes on pages 5 to 11 form an integral part of these financial statements.

Page 4

Specialist Cutting Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2019

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Knoll House
Knoll Road
Camberley
Surrey
GU15 3SY
England

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 prepared in sterling, which is the functional currency of the entity.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of 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.

Specialist Cutting Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2019

Contract revenue recognition

Where the outcome of construction contracts can be reliably estimated, contract revenue and contract costs are recognised by reference to the stage of completion on the contract activity as at the year end.

Where the outcome of construction contracts cannot be estimated reliably, revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable, and contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is expensed immediately, with a provision for an onerous contract being recognised.

Where the collectability of an amount already recognised as contract revenue is no longer probable, the uncollectable amount is expensed rather than recognised as an adjustment to the amount of contract revenue.

The entity uses the percentage of completion method to determine the amounts to be recognised in the period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred for work performed to date do not include costs relating to future activity, such as for materials or prepayments.

Tax

The tax expense for the period comprises current and 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.

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 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 statement of financial position 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
Plant and machinery	20% reducing balance
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance
Computer equipment	25% straight line

Specialist Cutting Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2019

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 debtors

Short term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and bank deposits.

Trade creditors

Short term creditors are measured 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 Income Statement 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.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

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 Statement of Financial Position as a finance lease obligation.

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

Specialist Cutting Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2019

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.

Employee benefits

Short-term employee benefits are recognised as an expense in the period which they are incurred.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from banks and other third parties, and loans to related parties.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 39 (2018 - 36).

Specialist Cutting Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2019

4 Tangible assets

	Fixtures and fittings £	Plant and machinery £	Office equipment £	Motor vehicles £
Cost or valuation				
At 1 July 2018	5,999	1,019,314	10,938	285,572
Additions	2,673	383,080	979	133,800
Disposals	-	-	-	(110,360)
At 30 June 2019	8,672	1,402,394	11,917	309,012
Depreciation				
At 1 July 2018	4,258	645,302	9,690	194,389
Charge for the year	659	151,424	867	49,058
Eliminated on disposal	-	-	-	(81,592)
At 30 June 2019	4,917	796,726	10,557	161,855
Carrying amount				
At 30 June 2019	3,755	605,668	1,360	147,157
At 30 June 2018	1,741	374,012	1,248	91,183
				Total £
Cost or valuation				
At 1 July 2018				1,321,823
Additions				520,532
Disposals				(110,360)
At 30 June 2019				1,731,995
Depreciation				
At 1 July 2018				853,639
Charge for the year				202,008
Eliminated on disposal				(81,592)
At 30 June 2019				974,055
Carrying amount				
At 30 June 2019				757,940
At 30 June 2018				468,184

Specialist Cutting Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2019

5 Stocks

	2019 £	2018 £
Raw materials and consumables	10,620	10,210

6 Debtors

	2019 £	2018 £
Trade debtors	494,532	214,284
Prepayments	1,498	7,722
Other debtors	295,772	154,881
	<u>791,802</u>	<u>376,887</u>

7 Creditors

Creditors: amounts falling due within one year

	Note	2019 £	2018 £
Bank loans and overdrafts	<u>8</u>	122,859	-
Trade creditors		573,951	237,122
Taxation and social security		121,308	49,806
Accruals and deferred income		39,638	31,411
Other creditors		36,361	54,290
		<u>894,117</u>	<u>372,629</u>

Creditors include net obligations under finance lease and hire purchase contracts which are secured by way of the specific assets to which they relate.

Specialist Cutting Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2019

Creditors: amounts falling due after more than one year

	Note	2019 £	2018 £
Loans and borrowings	8	115,992	-

8 Loans and borrowings

	2019 £	2018 £
Non-current loans and borrowings		
Hire purchase contracts	115,992	-

	2019 £	2018 £
Current loans and borrowings		
Hire purchase contracts	122,859	-

Page 11

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.