

**Company registration number: SC262730**

**Deposition Technology Limited**

**Filleted financial statements**

**30 June 2022**

# **DEPOSITION TECHNOLOGY LIMITED**

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# **DEPOSITION TECHNOLOGY LIMITED**

## **DIRECTORS RESPONSIBILITIES STATEMENT**

### **PERIOD ENDED 30 JUNE 2022**

The directors are responsible for preparing the directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# DEPOSITION TECHNOLOGY LIMITED

## STATEMENT OF FINANCIAL POSITION

30 JUNE 2022

	Note	30/06/22 £	£	31/03/21 £	£
<b>Fixed assets</b>					
Tangible assets	5	51,904		7,420	
		<u>51,904</u>	51,904	<u>7,420</u>	7,420
<b>Current assets</b>					
Stocks		136,622		100,500	
Debtors	6	539,977		258,460	
Cash at bank and in hand		182,073		25,836	
		<u>858,672</u>		<u>384,796</u>	
<b>Creditors: amounts falling due within one year</b>	7	( 527,839)		( 148,246)	
<b>Net current assets</b>			330,833		236,550
<b>Total assets less current liabilities</b>			<u>382,737</u>		<u>243,970</u>
<b>Creditors: amounts falling due after more than one year</b>	8		( 29,923)		( 41,667)
<b>Net assets</b>			<u>352,814</u>		<u>202,303</u>
<b>Capital and reserves</b>					
Called up share capital			2		2
Profit and loss account	9		352,812		202,301
<b>Shareholders funds</b>			<u>352,814</u>		<u>202,303</u>

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 comprehensive income has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 07 June 2023 , and are signed on behalf of the board by:

**I R Mackenzie**

**Director**

Company registration number: SC262730

# **DEPOSITION TECHNOLOGY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **PERIOD ENDED 30 JUNE 2022**

#### **1. General information**

The company is a private company limited by shares, registered in England. The address of the registered office is Unit 1, Kingsthorpe Park, Houston Industrial Estate, Livingston, West Lothian, EH54 5DB.

#### **Principal activity**

The principal activity of the company is that of is the manufacture, reconditioning and sale of industrial equipment.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **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. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome.

##### **Turnover**

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

## **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, 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 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.

## **Tangible assets**

Tangible assets are initially recorded at cost, and are 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:

Plant and machinery	-	20 % straight line
Fittings fixtures and equipment	-	25 % straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

## **Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

## **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 stocks to their present location and condition.

## **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowing or current liabilities.

## **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.

## **Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.



## 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. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

## 4. Employee numbers

The average number of persons employed by the company during the period amounted to 7 (2021: 7 ).

## 5. Tangible assets

	Plant and machinery	Fixtures, fittings and equipment	Assets under construction	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2021	28,821	10,884	-	39,705
Additions	-	5,653	42,881	48,534
<b>At 30 June 2022</b>	<b>28,821</b>	<b>16,537</b>	<b>42,881</b>	<b>88,239</b>
<b>Depreciation</b>				
At 1 April 2021	24,032	8,253	-	32,285
Charge for the year	1,497	2,553	-	4,050
<b>At 30 June 2022</b>	<b>25,529</b>	<b>10,806</b>	<b>-</b>	<b>36,335</b>
<b>Carrying amount</b>				
<b>At 30 June 2022</b>	<b>3,292</b>	<b>5,731</b>	<b>42,881</b>	<b>51,904</b>
At 31 March 2021	4,789	2,631	-	7,420

## 6. Debtors

	30/06/22	31/03/21
	£	£
Trade debtors	107,465	126,193
Other debtors	432,512	132,267
	<u>539,977</u>	<u>258,460</u>

## 7. Creditors: amounts falling due within one year

	30/06/22	31/03/21
	£	£
Bank loans and overdrafts	9,767	8,333
Trade creditors	119,003	54,687
Amounts owed to group undertakings and undertakings in which the company has a participating interest	12,795	-
Accruals and deferred income	278,929	4,200
Social security and other taxes	103,085	37,096
Other creditors	4,260	43,930
	<u>527,839</u>	<u>148,246</u>

The bank borrowings included within the above are secured over the assets of the company .

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

	30/06/22	31/03/21
	£	£
Bank loans and overdrafts	29,923	41,667

The bank borrowings included within the above are secured over the assets of the company.

## 9. Reserves

Profit and loss account: This reserve records retained earnings and accumulated losses.

## 10. Operating leases

### The company as lessee

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

	£	£
Not later than 1 year	25,000	25,000
Later than 1 year and not later than 5 years	54,167	85,417
	<u>79,167</u>	<u>110,417</u>

## 11. Summary audit opinion

The auditor's report for the period dated 07 June 2023 was qualified on the following basis.

We have failed to gain assurance over the cost of stock at 30 June 2022, 31 March 2021 and 31 March 2020 due to the lack of available supporting evidence. The business uses components to manufacture items of stock, including components which may be taken from other stock items and there is insufficient evidence regarding the underlying cost. As such we are unable to satisfy ourselves regarding the cost of stock which was included in the balance sheets at these dates at £136,622, £100,500 and £102,360 respectively. Similarly, we were unable to satisfy ourselves that the cost of sales, disclosed within the financial statements as £808,909 in the current period and £215,908 in the prior year is not without material misstatement. Additionally, this was the first year the company required an audit and subsequently we were unable to attend stock takes at 31 March 2021 and 31 March 2020, and have been unable to confirm the stock quantity at these dates by other audit procedures. Consequently we were unable to determine whether any adjustment to these amounts were necessary.

The senior statutory auditor was Adam Croney ACA for and on behalf of Westcotts (SW) LLP

## 12. Directors advances, credits and guarantees

During the period the directors entered into the following advances and credits with the company:

Period  
ended  
30/06/22

	Balance brought forward	Advances /(credits) to the directors	Amounts repaid	Balance o/standing
	£	£	£	£
Directors	118,225	140,026	( 262,000)	( 3,749)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Year  
ended  
31/03/21

	Balance brought forward	Advances /(credits) to the directors	Amounts repaid	Balance o/standing
	£	£	£	£
Directors	149,741	90,484	( 122,000)	118,225
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Interest has been charged on overdrawn balances at the official rate of interest.

## 13. Government grants

During the year, the company was in receipt of government grants of £14,255 by way of support during the coronavirus pandemic. These grants have been recognised in the statement of comprehensive income for 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.