

COMPANY REGISTRATION NUMBER: 361699

Stanhope-Seta Limited
Financial Statements
31 July 2017

FRIDAY



L6LB3UWO

LD3

15/12/2017

#8

COMPANIES HOUSE

Stanhope-Seta Limited

Financial Statements

Year ended 31 July 2017

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	3
Independent auditor's report to the members	5
Statement of income and retained earnings	8
Statement of financial position	9
Statement of cash flows	10
Notes to the financial statements	11
The following pages do not form part of the financial statements	
Detailed income statement	20
Notes to the detailed income statement	21

Stanhope-Seta Limited
Officers and Professional Advisers

The board of directors

M Richardson
M Verity
G Verity

Company secretary

M Richardson

Registered office

10 Orange Street
Haymarket
London
WC2H 7DQ

Auditor

Shipleys LLP
Chartered Accountants & statutory auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

Stanhope-Seta Limited

Strategic Report

Year ended 31 July 2017

Principle Activity and business review

The principal activity of the company during the year was the manufacture or testing equipment for the hydrocarbon industries.

The directors are satisfied with the company's performance for the year. The company's Research and Development group is actively developing instruments to fulfil new industry requirements and improve existing technologies. Competition within the instrumentation sector is significant, not only from other established manufacturers but also from local domestic products coming from other countries. The company's product line is well established, and the directors are confident that the reputation of the company will greatly assist, where competition is present. The directors continue to monitor cost levels to ensure that an adequate return is received

The key financial highlights are as follows:

	2017	2016	2015	2014	2013
	£	£	£	£	£
Turnover	12,681,217	12,119,662	12,135,027	13,237,407	12,829,086
Turnover growth	4	1	8	3	1
Gross profit margin	41	40	40	39	40
Profit before taxation	1,182,603	1,166,128	1,154,407	1,026,517	912,487

Future developments

The company's range of equipment is designed for the hydrocarbon industries. The company is reliant on the performance of these industries and therefore any change in their level of activity is likely to affect its results. Obsolescence of the existing test procedures represents a key risk to the company, and therefore ongoing development of the instrument range will be an important part of mitigating this and will provide new opportunities for the company.

This report was approved by the board of directors on 6.4.12.2017 and signed on behalf of the board by:



M Richardson
Company Secretary

Registered office:
10 Orange Street
Haymarket
London
WC2H 7DQ

Stanhope-Seta Limited

Directors' Report

Year ended 31 July 2017

The directors present their report and the financial statements of the company for the year ended 31 July 2017.

Directors

The directors who served the company during the year were as follows:

M Richardson
M Verity
G Verity

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Disclosure of information in the strategic report

A Strategic report is included in these accounts in accordance with section 414C(11) of the Companies Act 2006.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 year. 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;
- 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.

Stanhope-Seta Limited

Directors' Report *(continued)*

Year ended 31 July 2017


Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on and signed on behalf of the board by:



M Richardson
Company Secretary

Registered office:
10 Orange Street
Haymarket
London
WC2H 7DQ

Stanhope-Seta Limited

Independent Auditor's Report to the Members of Stanhope-Seta Limited

Year ended 31 July 2017

Opinion

We have audited the financial statements of Stanhope-Seta Limited for the year ended 31 July 2017 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Stanhope-Seta Limited

Independent Auditor's Report to the Members of Stanhope-Seta Limited (continued)

Year ended 31 July 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Stanhope-Seta Limited

Independent Auditor's Report to the Members of Stanhope-Seta Limited

(continued)

Year ended 31 July 2017


Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Tim Hardy (Senior Statutory Auditor)

For and on behalf of
Shipleys LLP
Chartered Accountants & statutory auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

12/12/2017

Stanhope-Seta Limited
Statement of Income and Retained Earnings
Year ended 31 July 2017

	Note	2017 £	2016 £
Turnover	4	12,681,217	12,119,662
Cost of sales		(7,630,636)	(7,132,929)
Gross profit		5,050,581	4,986,733
Distribution costs		(213,545)	(225,209)
Administrative expenses		(3,658,130)	(3,603,239)
Operating profit	5	1,178,906	1,158,285
Interest receivable	9	3,697	7,843
Profit before taxation		1,182,603	1,166,128
Taxation on ordinary activities	10	26,737	20,000
Profit for the financial year and total comprehensive income		<u>1,209,340</u>	<u>1,186,128</u>
Dividends paid and payable	11	(364,000)	(364,000)
Retained earnings at the start of the year		6,353,122	5,530,994
Retained earnings at the end of the year		<u>7,198,462</u>	<u>6,353,122</u>

All the activities of the company are from continuing operations.

The notes on pages 11 to 18 form part of these financial statements.

Stanhope-Seta Limited
Statement of Financial Position
31 July 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	12	976,817	879,052
Current assets			
Stocks	13	3,495,698	3,003,342
Debtors	14	2,085,955	1,824,880
Cash at bank and in hand		4,375,542	4,010,058
		<u>9,957,195</u>	<u>8,838,280</u>
Creditors: amounts falling due within one year	15	<u>(2,735,450)</u>	<u>(2,364,110)</u>
Net current assets		<u>7,221,745</u>	<u>6,474,170</u>
Total assets less current liabilities		<u>8,198,562</u>	<u>7,353,222</u>
Net assets		<u>8,198,562</u>	<u>7,353,222</u>
Capital and reserves			
Called up share capital	17	1,000,100	1,000,100
Profit and loss account	18	7,198,462	6,353,122
Members funds		<u>8,198,562</u>	<u>7,353,222</u>

These financial statements were approved by the board of directors and authorised for issue on 04/12/2017 and are signed on behalf of the board by:



M RICHARDSON
Company Secretary

Company registration number: 361699

The notes on pages 11 to 18 form part of these financial statements.

Stanhope-Seta Limited

Statement of Cash Flows

Year ended 31 July 2017

	2017	2016
	£	£
Cash flows from operating activities		
Profit for the financial year	1,209,340	1,186,128
<i>Adjustments for:</i>		
Depreciation of tangible assets	103,946	102,753
Interest receivable	(3,697)	(7,843)
Gains on disposal of tangible assets	(13,147)	(9,561)
Taxation on ordinary activities	(26,737)	(20,000)
Accrued expenses/(income)	60,666	(20,593)
<i>Changes in:</i>		
Stocks	(492,356)	(154,794)
Trade and other debtors	(261,075)	(260,707)
Trade and other creditors	221,602	(215,160)
Cash generated from operations	<u>798,542</u>	<u>600,223</u>
Interest received	3,697	7,843
Tax received	26,737	—
Net cash from operating activities	<u>828,976</u>	<u>608,066</u>
Cash flows from investing activities		
Purchase of tangible assets	(211,614)	(36,822)
Proceeds from sale of tangible assets	23,050	15,900
Net cash used in investing activities	<u>(188,564)</u>	<u>(20,922)</u>
Cash flows from financing activities		
Proceeds from borrowings	89,072	(134,730)
Dividends paid	(364,000)	(364,000)
Net cash used in financing activities	<u>(274,928)</u>	<u>(498,730)</u>
Net increase in cash and cash equivalents	365,484	88,414
Cash and cash equivalents at beginning of year	4,010,058	3,921,644
Cash and cash equivalents at end of year	<u>4,375,542</u>	<u>4,010,058</u>

The notes on pages 11 to 18 form part of these financial statements.

Stanhope-Seta Limited
Notes to the Financial Statements
Year ended 31 July 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 10 Orange Street, Haymarket, London, WC2H 7DQ.

2. Statement of compliance

These financial statements have been prepared in compliance with 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, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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.

Significant judgements and estimates

There are no judgements or estimations that management has made in the process of applying the entity's accounting policies that have a significant effect on the amounts recognised in the financial statements.

Revenue recognition

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.

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.

Stanhope-Seta Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2017

3. Accounting policies *(continued)*

Income tax *(continued)*

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.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

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	- over 50 years
Plant & Equipment	- 15% or 33.3% straight line
Fixtures & Fittings	- 15% straight line
Motor Vehicles	- 25% straight line

Freehold land is not depreciated.

Impairment of fixed assets

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.

For the purposes of impairment testing, 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 largely independent of the cash inflows from other assets or groups of assets.

Stanhope-Seta Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2017

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stock and work in progress have been valued at the lower of cost and net realisable value. Finished goods stock includes a proportion of factory overhead expenditure. Stock and work in progress have been valued at the lower of cost and net realisable value. Finished goods stock includes a proportion of factory overhead expenditure.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

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 as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2017	2016
	£	£
Sale of goods	<u>12,681,217</u>	<u>12,119,662</u>

Stanhope-Seta Limited

Notes to the Financial Statements (continued)

Year ended 31 July 2017

4. Turnover (continued)

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2017	2016
	£	£
United Kingdom	971,315	1,579,000
Overseas	11,709,902	10,540,662
	<u>12,681,217</u>	<u>12,119,662</u>

5. Operating profit

Operating profit or loss is stated after charging:

	2017	2016
	£	£
Depreciation of tangible assets	103,946	102,753
Gains on disposal of tangible assets	(13,147)	(9,561)
Impairment of trade debtors	(3,989)	4,403
Foreign exchange differences	<u>6,367</u>	<u>2,878</u>

6. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>15,000</u>	<u>15,500</u>
Fees payable to the company's auditor and its associates for other services:		
Audit-related assurance services	<u>16,357</u>	<u>16,111</u>

7. Particulars of employees

The average number of persons employed by the company during the year, including the directors, amounted to:

	2017	2016
	No.	No.
Production staff	33	31
Administrative staff	53	52
	<u>86</u>	<u>83</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017	2016
	£	£
Wages and salaries	2,334,527	2,241,211
Social security costs	387,747	389,773
Other pension costs	34,917	32,753
	<u>2,757,191</u>	<u>2,663,737</u>

Stanhope-Seta Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2017

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2017	2016
	£	£
Remuneration	<u>1,105,740</u>	<u>1,071,360</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2017	2016
	No.	No.
Defined contribution plans	<u>2</u>	<u>2</u>

Remuneration of the highest paid director in respect of qualifying services:

	2017	2016
	£	£
Aggregate remuneration	<u>532,870</u>	<u>515,680</u>

9. Interest receivable

	2017	2016
	£	£
Interest on cash and cash equivalents	<u>3,697</u>	<u>7,843</u>

10. Taxation on ordinary activities

Major components of tax income

	2017	2016
	£	£
Current tax:		
Adjustments in respect of prior periods	(26,737)	–
Deferred tax:		
Origination and reversal of timing differences	<u>–</u>	<u>(20,000)</u>
Taxation on ordinary activities	<u>(26,737)</u>	<u>(20,000)</u>

Stanhope-Seta Limited

Notes to the Financial Statements (continued)

Year ended 31 July 2017

10. Taxation on ordinary activities (continued)

Reconciliation of tax income

The tax assessed on the profit on ordinary activities for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 19.67% (2016: 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	1,182,603	1,166,128
Profit on ordinary activities by rate of tax	232,579	233,226
Effect of expenses not deductible for tax purposes	1,778	492
Effect of capital allowances and depreciation	(9,821)	(12,635)
Unused tax losses	4,326	31,640
Deduction for qualifying R&D expenditure	(252,286)	(269,242)
Deductions allowable for tax purposes	(3,313)	(3,481)
Tax on profit	<u>(26,737)</u>	<u>(20,000)</u>

11. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2017 £	2016 £
Dividends on equity shares	<u>364,000</u>	<u>364,000</u>

12. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 August 2016	883,918	612,150	352,341	252,917	2,101,326
Additions	–	53,519	31,560	126,535	211,614
Disposals	–	–	–	(79,028)	(79,028)
At 31 July 2017	<u>883,918</u>	<u>665,669</u>	<u>383,901</u>	<u>300,424</u>	<u>2,233,912</u>
Depreciation					
At 1 August 2016	149,475	540,893	341,228	190,678	1,222,274
Charge for the year	9,342	44,224	6,355	44,025	103,946
Disposals	–	–	–	(69,125)	(69,125)
At 31 July 2017	<u>158,817</u>	<u>585,117</u>	<u>347,583</u>	<u>165,578</u>	<u>1,257,095</u>
Carrying amount					
At 31 July 2017	<u>725,101</u>	<u>80,552</u>	<u>36,318</u>	<u>134,846</u>	<u>976,817</u>
At 31 July 2016	<u>734,443</u>	<u>71,257</u>	<u>11,113</u>	<u>62,239</u>	<u>879,052</u>

There were no significant capital commitments at 31 July 2016 or at 31 July 2015.

Stanhope-Seta Limited

Notes to the Financial Statements (continued)

Year ended 31 July 2017

13. Stocks

	2017 £	2016 £
Raw materials	1,726,159	1,615,042
Work in progress	446,068	349,548
Finished goods	1,323,471	1,038,752
	<u>3,495,698</u>	<u>3,003,342</u>

14. Debtors

	2017 £	2016 £
Trade debtors	1,812,333	1,602,603
Prepayments and accrued income	89,543	83,199
VAT recoverable	178,079	124,292
Other debtors	6,000	14,786
	<u>2,085,955</u>	<u>1,824,880</u>

15. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	955,251	739,110
Accruals and deferred income	1,179,852	1,119,186
Social security and other taxes	79,830	74,369
Director loan accounts	520,517	431,445
	<u>2,735,450</u>	<u>2,364,110</u>

16. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £34,917 (2016: £32,753).

17. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
A Ordinary shares of £1 each	100	100	100	100
B Ordinary shares of £1 each	1,000,000	1,000,000	1,000,000	1,000,000
	<u>1,000,100</u>	<u>1,000,100</u>	<u>1,000,100</u>	<u>1,000,100</u>

Non equity shares consist of 100 'A' ordinary shares of £1 each. The shares confer the right on a winding up to the return of the capital paid up in priority to any other class of share.

Stanhope-Seta Limited

Notes to the Financial Statements *(continued)*

Year ended 31 July 2017

18. Reserves

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

19. Contingencies

The company had given guarantees in respect of performance bonds at 31 July 2017 and at 31 July 2016. No claim has arisen in respect of these bonds and the amounts involved are not significant in relation to the company's net assets.

20. Directors' advances, credits and guarantees

At the balance sheet, the company owed the directors totalling £520,517 (2016: £431,445).

21. Related party transactions

The company is under the control of the director, Mrs M Richardson by virtue of her 100% shareholding.

The following arms-length transactions are included in the accounts:

Dividends of £364,000 (2016: £364,000) were paid to Mrs M Richardson, a director of the company.