

Company Registration No. 00530535 (England and Wales)

HALLEN ENGINEERING LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017
PAGES FOR FILING WITH REGISTRAR

HALLEN ENGINEERING LIMITED

COMPANY INFORMATION

Directors	Mr C M Carver Mr D C Foster
Secretary	Mr D C Foster
Company number	00530535
Registered office	Ann Street Willienhall West Midlands WV13 1EW
Auditor	Baldwins Audit Services Limited Churchill House 59 Lichfield Street Walsall West Midlands WS4 2BX

HALLEN ENGINEERING LIMITED

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HALLEN ENGINEERING LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	6		145,421		171,565
Current assets					
Stocks	7	98,905		106,772	
Debtors	8	574,975		733,883	
Cash at bank and in hand		141,843		65,218	
		<u>815,723</u>		<u>905,873</u>	
Creditors: amounts falling due within one year	9	<u>(144,313)</u>		<u>(164,262)</u>	
Net current assets			671,410		741,611
Total assets less current liabilities			<u>816,831</u>		<u>913,176</u>
Provisions for liabilities	10		<u>(13,863)</u>		<u>(9,125)</u>
Net assets			<u>802,968</u>		<u>904,051</u>
Capital and reserves					
Called up share capital	11		3,935		3,935
Share premium account			5,263		5,263
Profit and loss reserves			<u>793,770</u>		<u>894,853</u>
Total equity			<u>802,968</u>		<u>904,051</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 7 December 2017 and are signed on its behalf by:

Mr C M Carver
Director

Company Registration No. 00530535

HALLEN ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Hallen Engineering Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ann Street, Willenhall, West Midlands, WV13 1EW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	10% & 33.33% straight line
Fixtures and fittings	10% straight line
Motor vehicles	20% straight line

HALLEN ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

HALLEN ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

HALLEN ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

HALLEN ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Auditor's remuneration

	2017	2016
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	2,537	3,000

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017	2016
	Number	Number
Employees (including directors)	14	15

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	296,620	299,105
Pension costs	3,000	3,000
	299,620	302,105

5 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	-	(5,000)

HALLEN ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

5 Taxation (Continued)

Deferred tax

Origination and reversal of timing differences	4,738	-
	<u>4,738</u>	<u>(5,000)</u>
Total tax charge/(credit)	<u>4,738</u>	<u>(5,000)</u>

The actual charge/(credit) for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
(Loss)/profit before taxation	(28,345)	37,745
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	(5,669)	7,549
Tax effect of expenses that are not deductible in determining taxable profit	7,117	-
Tax effect of income not taxable in determining taxable profit	(896)	(2,500)
Unutilised tax losses carried forward	(3,100)	-
Group relief	-	(8,700)
Deferred tax adjustments in respect of prior years	-	(1,199)
Other	(551)	(150)
Deferred tax timing differences	7,837	-
Taxation charge/(credit) for the year	<u>4,738</u>	<u>(5,000)</u>

HALLEN ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

6 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 April 2016	836,297	29,290	35,650	901,237
Additions	8,932	-	-	8,932
Disposals	-	-	(11,900)	(11,900)
At 31 March 2017	845,229	29,290	23,750	898,269
Depreciation and impairment				
At 1 April 2016	690,490	11,269	27,913	729,672
Depreciation charged in the year	24,726	5,600	4,750	35,076
Eliminated in respect of disposals	-	-	(11,900)	(11,900)
At 31 March 2017	715,216	16,869	20,763	752,848
Carrying amount				
At 31 March 2017	130,013	12,421	2,987	145,421
At 31 March 2016	145,807	18,021	7,737	171,565

7 Stocks

	2017 £	2016 £
Raw materials and consumables	98,905	106,772

8 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	269,211	272,378
Other debtors	293,491	448,926
Prepayments and accrued income	12,273	12,579
	574,975	733,883

HALLEN ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

9 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	93,073	101,095
Amounts due to group undertakings	-	24,443
Corporation tax	-	4
Other taxation and social security	23,342	19,729
Accruals and deferred income	27,898	18,991
	<u>144,313</u>	<u>164,262</u>

10 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities		13,863	9,125
		<u>13,863</u>	<u>9,125</u>

11 Share capital

	2017 £	2016 £
Ordinary share capital		
Authorised		
2,935 Ordinary shares of £1 each	2,935	2,935
500 A preference shares of £1 each	500	500
500 B preference share of £1 each	500	500
	<u>3,935</u>	<u>3,935</u>

12 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Mr S N Southall FCCA.
The auditor was Baldwins Audit Services Limited.

HALLEN ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

13 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017	2016
	£	£
Within one year	43,914	43,914
Between two and five years	43,914	87,828
	<hr/>	<hr/>
	87,828	131,742
	<hr/>	<hr/>

14 Directors' transactions

Preference share dividends totalling £68,000 (2016 - £68,000) were paid in the year in respect of shares held by Mrs C A Carver and Mrs H Foster.

Mrs C A Carver and Mrs H Foster are the wives of the company's directors Mr CM Carver and Mr DC Foster.

15 Controlling party

The group in which the results are consolidated is that headed by C&F Group Holdings Limited, incorporated in England. The consolidated accounts of this company are available to the public and may be obtained from Companies House.

16 Contingent liabilities

The company has a cross guarantee with its fellow group companies for group bank borrowings. At 31 March 2017 the liabilities covered by this guarantee totalled £1,106,191 (2016 - £1,051,696).

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.