

Cressall Resistors Limited
Financial Statements
For the year ended
31 December 2016



Cressall Resistors Limited

Financial Statements

Year ended 31 December 2016

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Cressall Resistors Limited

Officers and Professional Advisers

The board of directors

D Atkins
M Fornari
M C Nicholls
S Bruckner
A Keith

Company secretary

D Atkins

Registered office

Evington Valley Road
Leicester
LE5 5LZ

Auditor

Streets Audit LLP
Chartered accountant & statutory auditor
Enterprise House
38 Tyndall Court
Commerce Road
Lynch Wood
Peterborough
Cambridgeshire
PE2 6LR

Bankers

National Westminster Bank Plc
1 Granby Street
Leicester
LE1 6EJ

Cressall Resistors Limited

Strategic Report

Year ended 31 December 2016

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and nature of our business, incorporating our key performance indicators and the principal risks and uncertainties that the business faces.

The company continues to design, manufacture and sell high power electrical resistors.

In line with expectations the turnover increased during the year and gross profit percentage increased from 25.78% to 30.25%. The directors expect consistent results in 2017 both in terms of turnover and gross profit percentage.

Financial risk management objectives and policies

The company's principal financial instruments comprise cash and various items such as trade debtors and trade creditors, that arise directly from its operations. The main purpose of these financial instruments is to provide finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks. The main risk arising from the company's financial instruments are credit risk, currency risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Credit risk

The company seeks to manage its credit risk by dealing with established customers or otherwise checking the credit-worthiness of new customers, establishing clear contractual relationships with those customers and by identifying and addressing any credit issues arising in a timely manner.

Currency risk

The company minimises its risk to foreign currency fluctuations by invoicing and purchasing in sterling where possible, and where not by balancing as far as possible sales and purchases in Dollars and Euros.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by overdraft facilities. The company as far as possible minimises its risk to foreign currency fluctuations by invoicing and purchasing in sterling.

The company is exposed, as are its competitors, to fluctuating steel prices. Consideration is given to this when tendering for contracts.

Cressall Resistors Limited

Strategic Report *(continued)*

Year ended 31 December 2016

This report was approved by the board of directors on 15/06/2017..... and signed on behalf of the board by:



S Bruckner
Director

Registered office:
Evington Valley Road
Leicester
LE5 5LZ

Cressall Resistors Limited

Directors' Report

Year ended 31 December 2016

The directors present their report and the financial statements of the company for the year ended 31 December 2016.

Directors

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

D Atkins
M Fornari
M C Nicholls
S Bruckner
A Keith

(Appointed 1 January 2016)

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Research and development

During the year the company incurred £29,849 (2015 - £23,122) in research and development costs.

Disclosure of information in the strategic report

The company has chosen to set out in the strategic report information about the future developments of the company and the financial instruments.

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.

Cressall Resistors Limited

Directors' Report *(continued)*

Year ended 31 December 2016

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.

This report was approved by the board of directors on 15/08/2017 and signed on behalf of the board by:



S Bruckner
Director

Registered office:
Evington Valley Road
Leicester
LE5 5LZ

Cressall Resistors Limited

Independent Auditor's Report to the Members of Cressall Resistors Limited

Year ended 31 December 2016

We have audited the financial statements of Cressall Resistors Limited for the year ended 31 December 2016 which comprise the statement of income and retained earnings, statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Cressall Resistors Limited

Independent Auditor's Report to the Members of Cressall Resistors Limited *(continued)*

Year ended 31 December 2016

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



JONATHAN DAY (Senior Statutory Auditor)

22 August 2017.

For and on behalf of
Streets Audit LLP
Chartered accountant & statutory auditor
Enterprise House
38 Tyndall Court
Commerce Road
Lynch Wood
Peterborough
Cambridgeshire
PE2 6LR

Cressall Resistors Limited

Statement of Income and Retained Earnings

Year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	5	10,893,423	8,297,078
Cost of sales		<u>7,598,474</u>	<u>6,158,181</u>
Gross profit		3,294,949	2,138,897
Administrative expenses		<u>1,735,112</u>	<u>1,648,371</u>
Operating profit	6	1,559,837	490,526
Other interest receivable and similar income	10	<u>3,025</u>	<u>4,688</u>
Profit before taxation		1,562,862	495,214
Tax on profit	11	<u>455,905</u>	<u>103,467</u>
Profit for the financial year and total comprehensive income		<u>1,106,957</u>	<u>391,747</u>
Dividends paid and payable	12	(1,000,000)	—
Retained earnings at the start of the year		4,652,008	4,260,261
Retained earnings at the end of the year		<u>4,758,965</u>	<u>4,652,008</u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 22 form part of these financial statements.

Cressall Resistors Limited

Statement of Financial Position

31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	13	244,447	309,770
Tangible assets	14	864,294	783,238
		<u>1,108,741</u>	<u>1,093,008</u>
Current assets			
Stocks	16	2,051,105	1,266,105
Debtors	17	3,971,970	2,061,450
Cash at bank and in hand		3,170,695	3,155,209
		<u>9,193,770</u>	<u>6,482,764</u>
Creditors: amounts falling due within one year	18	<u>4,439,478</u>	<u>1,838,258</u>
Net current assets		<u>4,754,292</u>	<u>4,644,506</u>
Total assets less current liabilities		<u>5,863,033</u>	<u>5,737,514</u>
Provisions			
Taxation including deferred tax	19	104,068	85,506
Net assets		<u>5,758,965</u>	<u>5,652,008</u>
Capital and reserves			
Called up share capital	22	1,000,000	1,000,000
Profit and loss account	23	4,758,965	4,652,008
Members funds		<u>5,758,965</u>	<u>5,652,008</u>

These financial statements were approved by the board of directors and authorised for issue on 15/01/2017, and are signed on behalf of the board by:



S Bruckner
Director

Company registration number: 1080251

The notes on pages 10 to 22 form part of these financial statements.

Cressall Resistors Limited

Notes to the Financial Statements

Year ended 31 December 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Evington Valley Road, Leicester, LE5 5LZ.

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. Company information

Cressall Resistors Limited is a limited liability company, incorporated in England and Wales. The principal place of business is the registered office. The principal activity of the company during the year was the design, manufacture and sale of high power electrical resistors.

The financial statements cover the individual company.

4. 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.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of TPR Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) Disclosures in respect of share-based payments have not been presented.
- (e) No disclosure has been given for the aggregate remuneration of key management personnel.

Cressall Resistors Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

4. Accounting policies *(continued)*

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.

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as disclosed in the accounting policies and notes to the financial statements.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as disclosed in the accounting policies and notes to the financial statements.

1 Depreciation charge

The annual depreciation charge for each class of tangible fixed asset is based on an estimate of the useful economic life of the respective assets. This is reviewed periodically by the directors to ensure that they reflect both the external and internal factors.

2 Amortisation

The annual amortisation charge for intangible assets and goodwill is based on an estimate of the useful economic life of the respective assets. This is reviewed periodically by the directors to ensure that they reflect both the external and internal factors.

3 Impairment of investments

The company makes an estimate of the recoverable value of investments. When assessing impairment of investments, management considers factors including the net assets of the investments.

4 Treatment of Advanced Payment Notices

The directors have recognised the net of the liability in respect of Advance Payment Notices received from HMRC and the benefit of the related insurance policy.

Revenue recognition

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods 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.

Cressall Resistors Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

4. Accounting policies *(continued)*

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.

Deferred tax is recognised in respect of all material 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 profit or loss.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Patents are initially recorded at cost.

Cressall Resistors Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

4. Accounting policies *(continued)*

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	5% straight line
Patents	-	20% straight line

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

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.

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 equipment and tooling	-	8% to 33% straight line
Fixtures and fittings	-	10% straight line
Motor vehicles	-	20% straight line
Property improvements	-	10% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Cressall Resistors Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

4. Accounting policies *(continued)*

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is derived from purchase invoices. Stock is recorded on a first in first out basis.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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.

5. Turnover

Turnover arises from:

	2016 £	2015 £
Sale of goods	<u>10,893,423</u>	<u>8,297,078</u>

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:

	2016 £	2015 £
United Kingdom	5,510,382	4,436,538
Overseas	<u>5,383,041</u>	<u>3,860,540</u>
	<u>10,893,423</u>	<u>8,297,078</u>

Cressall Resistors Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

6. Operating profit

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Amortisation of intangible assets	65,323	65,323
Depreciation of tangible assets	146,647	141,811
Gains on disposal of tangible assets	(2,033)	(167)
Impairment of trade debtors	1,603	97,215
Foreign exchange differences	(323,300)	15,304
Operating lease costs	<u>208,440</u>	<u>196,001</u>

7. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>15,500</u>	<u>15,000</u>
Fees payable to the company's auditor and its associates for other services:		
Audit-related assurance services	<u>1,925</u>	<u>2,036</u>

8. Staff costs

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

	2016	2015
	No.	No.
Production staff	50	56
Management staff	43	41
	<u>93</u>	<u>97</u>

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

	2016	2015
	£	£
Wages and salaries	3,029,744	2,593,858
Social security costs	343,565	226,111
Other pension costs	114,392	75,057
	<u>3,487,701</u>	<u>2,895,026</u>

Cressall Resistors Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

9. Directors' remuneration

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

	2016	2015
	£	£
Remuneration	636,944	259,860
Company contributions to defined contribution pension plans	31,597	22,113
	<u>668,541</u>	<u>281,973</u>

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

	2016	2015
	No.	No.
Defined contribution plans	<u>4</u>	<u>3</u>

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

	2016	2015
	£	£
Aggregate remuneration	187,600	91,957
Company contributions to defined contribution pension plans	10,000	7,723
	<u>197,600</u>	<u>99,680</u>

10. Other interest receivable and similar income

	2016	2015
	£	£
Interest on cash and cash equivalents	<u>3,025</u>	<u>4,688</u>

11. Tax on profit

Major components of tax expense

	2016	2015
	£	£
Current tax:		
UK current tax expense	437,343	91,428
Deferred tax:		
Origination and reversal of timing differences	<u>18,562</u>	<u>12,039</u>
Tax on profit	<u>455,905</u>	<u>103,467</u>

Cressall Resistors Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

11. Tax on profit *(continued)*

The company claimed trading losses from investments in Limited Liability Partnerships in earlier years which were required to be disclosed under DOTAS arrangements. Consequently, HM Revenue & Customs opened enquiries into the loss claims, although these enquiries are ongoing, there has been no adjustments to previous corporation tax returns.

Following proposals announced in the Budget 2014, on 17 March 2014, and the subsequent enactment of the Finance Bill 2014, on 17 July 2014, HM Revenue & Customs obtained the power, under limited circumstances, to require the company to pay on account the additional corporation tax that would be payable if they are successful in their challenge against the original tax losses claimed from the Limited Liability Partnership. HM Revenue & Customs used these powers and issued Advanced Payment Notices to the company that require a payment on account of £1,037,774 to be made.

At the time the company made some of the investments it also entered into insurance policies which, should the original loss relief be ultimately denied by HM Revenue & Customs, would reimburse the company for the cost of the investment and the insurance premium paid. Taking into account the benefit of these policies, the net liability to the company would be £519,008.

The directors have considered that the benefit of the insurance policies should be netted off against the liability under the Advanced Payment Notices as without this net-off the position reported would be more adverse than the overall worst case outcome for the company. The benefit of the insurance policies have therefore been recognised as a debtor and netted off against the liability under the Advanced Payment Notices in arriving at the tax charge in relation to prior years of £129,446.

The directors consider that £1,037,774 will ultimately be repaid to the company once the original tax enquiry has been concluded, however this is contingent on a successful conclusion of the original tax enquiry and as such under Financial Reporting Standard 102 this cannot be recognised as an asset.

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>1,562,862</u>	<u>495,214</u>
Profit on ordinary activities by rate of tax	312,572	100,281
Adjustment to tax charge in respect of prior periods	129,446	(12,634)
Effect of expenses not deductible for tax purposes	4,928	—
Effect of capital allowances and depreciation	<u>8,959</u>	<u>15,820</u>
Tax on profit	<u>455,905</u>	<u>103,467</u>

Cressall Resistors Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

12. Dividends

	2016 £	2015 £
Dividends proposed before the year end and recognised as a liability	<u>1,000,000</u>	<u>—</u>

13. Intangible assets

	Goodwill £	Patents, trademarks and licences £	Total £
Cost			
At 1 Jan 2016 and 31 Dec 2016	<u>1,306,451</u>	<u>17,000</u>	<u>1,323,451</u>
Amortisation			
At 1 January 2016	1,006,881	6,800	1,013,681
Charge for the year	65,323	—	65,323
At 31 December 2016	<u>1,072,204</u>	<u>6,800</u>	<u>1,079,004</u>
Carrying amount			
At 31 December 2016	<u>234,247</u>	<u>10,200</u>	<u>244,447</u>
At 31 December 2015	<u>299,570</u>	<u>10,200</u>	<u>309,770</u>

14. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Property improvements £	Total £
Cost					
At 1 January 2016	2,122,659	167,810	19,750	75,162	2,385,381
Additions	229,084	6,089	—	—	235,173
Disposals	(10,000)	—	—	—	(10,000)
At 31 December 2016	<u>2,341,743</u>	<u>173,899</u>	<u>19,750</u>	<u>75,162</u>	<u>2,610,554</u>
Depreciation					
At 1 January 2016	1,422,409	137,417	13,495	28,822	1,602,143
Charge for the year	130,480	5,147	3,503	7,517	146,647
Disposals	(2,530)	—	—	—	(2,530)
At 31 December 2016	<u>1,550,359</u>	<u>142,564</u>	<u>16,998</u>	<u>36,339</u>	<u>1,746,260</u>
Carrying amount					
At 31 December 2016	<u>791,384</u>	<u>31,335</u>	<u>2,752</u>	<u>38,823</u>	<u>864,294</u>
At 31 December 2015	<u>700,250</u>	<u>30,393</u>	<u>6,255</u>	<u>46,340</u>	<u>783,238</u>

Cressall Resistors Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

15. Investments

	Other investments other than loans £
Cost	
At 1 Jan 2016 and 31 Dec 2016	<u>935,615</u>
Impairment	
At 1 Jan 2016 and 31 Dec 2016	<u>935,615</u>
Carrying amount	
At 31 December 2016	<u>-</u>

The company has previously invested in 4 partnerships. The directors continue to value these investments at £nil at the year end date based on the net assets of the partnerships.

16. Stocks

	2016 £	2015 £
Raw materials and consumables	1,471,169	1,102,108
Work in progress	579,936	163,997
	<u>2,051,105</u>	<u>1,266,105</u>

17. Debtors

	2016 £	2015 £
Trade debtors	3,192,256	1,480,663
Prepayments and accrued income	184,339	154,628
Amounts recoverable on contracts	70,337	27,011
Other debtors	525,038	399,148
	<u>3,971,970</u>	<u>2,061,450</u>

Other debtors includes an insurance policy receivable of £518,766 (2015 - £298,790), please see note 11 to the financial statements for more details in relation to this.

Cressall Resistors Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

18. Creditors: amounts falling due within one year

	2016	2015
	£	£
Payments received on account	15,027	18,345
Trade creditors	1,255,270	777,070
Amounts owed to group undertakings	1,000,000	–
Accruals and deferred income	511,893	95,469
Corporation tax	209,098	1,201
Social security and other taxes	99,288	60,763
Accelerated payment notice	1,037,774	688,352
Other creditors	311,128	197,058
	<u>4,439,478</u>	<u>1,838,258</u>

Please see note 11 for more details of the Accelerated payment notice.

19. Provisions

	Deferred tax (note 20) £
At 1 January 2016	85,506
Additions	18,562
At 31 December 2016	<u>104,068</u>

20. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2016	2015
	£	£
Included in provisions (note 19)	<u>104,068</u>	<u>85,506</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016	2015
	£	£
Accelerated capital allowances	105,862	87,194
Pension plan obligations	(1,794)	(1,688)
	<u>104,068</u>	<u>85,506</u>

The net reversal of deferred tax liability expected to occur during the next financial year is £28,764 being depreciation in excess of capital allowances.

Cressall Resistors Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

21. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £114,392 (2015: £75,057).

22. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

23. Reserves

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

24. Operating leases

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

	2016	2015
	£	£
Not later than 1 year	20,042	4,674
Later than 1 year and not later than 5 years	42,043	36,624
	<u>62,085</u>	<u>41,298</u>

25. Contingencies

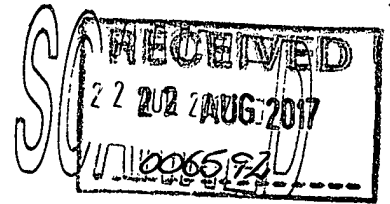
The company claimed trading losses from an investment in a Limited Liability Partnership in earlier years. HM Revenue & Customs have since opened an enquiry into the loss claim and have made a discovery assessment against the use of these losses totalling £516,616. HM Revenue & Customs made the assessment to protect its position with regards to the statutory time limit and have postponed this assessment while they carry out further investigation into the partnership returns. Although the company is confident that the enquiry will be concluded without requiring any adjustments to the previously submitted corporation tax returns, the directors consider that this amounts to a contingent liability and that under Financial Reporting Standard 102 the position needs to be disclosed as a contingent liability and not recognised as a provision as at the year end date.

The company has acted as a guarantor on a €6million (2015 - €6million) loan for a group company.

Cressall Resistors Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016



26. Related party transactions

During the year the company purchased goods totalling £264,286 from group companies (2015 £311,720). The balance owing to group companies at the year end was £19,429 (2015 - £36,800). Sales to group companies in the year totalled £257,147 (2015 - £169,495) and the balance owing from group companies was £32,512 (2015 - £109,624).

During the year the company was charged rent from a company with common directors, amounting to £168,641 (2015 - £168,641). At the year end Cressall Resistors Limited owed £nil (2015 - £8,400 was owed to Cressall) to this company.

During the year the company accrued management charges from group companies totalling £108,934 (2015 - £75,089). At the year end Cressall Resistors Limited owed £54,616 (2015 - £32,976) of this balance.

27. Parent company

TPR Limited, a company Registered in England and Wales, is the immediate parent company.

The Fornari family are the company's controlling shareholders by virtue of their ownership of the group.