

Spiroflow Limited

Company Registration Number 01210198

Annual Report and Financial Statements

Year ended 31 March 2017



Spiroflow Limited
Annual Report and Financial Statements
Contents

Balance Sheet	1
Notes to the Financial Statements	2 to 7

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Balance Sheet as at 31 March 2017

	Note	31 March 2017 £	31 March 2016 £
Fixed assets			
Tangible fixed assets	4	367,107	384,100
Investments	5	<u>5,004</u>	<u>5,004</u>
		372,111	389,104
Current assets			
Stocks	6	249,492	248,496
Debtors	7	1,346,139	1,247,484
Cash at bank and in hand		<u>10,117</u>	<u>33,867</u>
		1,605,748	1,529,847
Creditors: Amounts falling due within one year	8	<u>(1,764,996)</u>	<u>(1,573,580)</u>
Net current liabilities		<u>(159,248)</u>	<u>(43,733)</u>
Total assets less current liabilities		212,863	345,371
Creditors: Amounts falling due after more than one year	8	(78,149)	(33,245)
Provisions for liabilities		<u>-</u>	<u>(20,610)</u>
Net assets		<u>134,714</u>	<u>291,516</u>
Capital and reserves			
Called up share capital	10	80,067	80,067
Capital redemption reserve		19,933	19,933
Profit and loss account		<u>34,714</u>	<u>191,516</u>
		<u>134,714</u>	<u>291,516</u>

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the profit and loss account has been taken.

These financial statements were approved and authorised for issue by the Board on 6 December 2017 and signed on its behalf by:



B Ayrton
Director

1 General information

Spiroflow Limited is a private company limited by shares and incorporated in England under company number 01210198.

The address of its registered office and principal place of business is:

Lincoln Way
Clitheroe
Lancashire
BB7 1QG

2 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards including Section 1A of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS102) and the Companies Act 2006.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. Having carried out a detailed review of the company's resources and the challenges presented by the current economic climate, the directors are confident that the company has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements. The presentation currency is £ sterling.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

The company adopted FRS102 in the current year and an explanation of how transition to FRS102 has affected the reported financial position and performance is given in note 14.

Turnover

Turnover is measured at fair value of the consideration received or receivable, net of discounts and value added tax. Turnover includes revenue earned from the sale of goods and from the rendering of services.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually when the goods have been delivered to customers such that the risks and removal of ownership have been transferred to them.

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. If at the balance sheet date completion of the contract is dependent on external factors, then the revenue is recognised only when the event occurs. In such cases direct costs incurred up to the balance sheet date plus an overhead rate are recognised as revenue to the extent that they are recoverable.

Pension contributions

The company has a defined contribution pension scheme. The pension costs charged to the profit and loss account are the contributions payable in respect of the accounting period.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the year using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are only 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 calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives. The annual rates and methods of depreciation are as follows:-

Asset class	Depreciation method and rate
Leasehold property improvements	Life of lease
Plant & machinery	15%-25% straight line basis
Fixtures, fittings and equipment	15% straight line basis
Motor vehicles	25% straight line basis

Impairment of fixed assets

At the balance sheet date, if there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared to its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised in the profit and loss account. The reversal of an impairment loss is recognised immediately in the profit and loss account.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Stocks

Stock are stated at the lower of cost and estimated selling price less costs to complete and sell.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and an appropriate proportion of overhead expenses.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Creditors

Short term creditors are measured at transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Foreign currency

Transactions in foreign currency are translated at the spot rate at the date of the transactions. Assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at the balance sheet date. All exchange differences are taken to the profit and loss account.

3 Employees

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

	Year ended 31 March 2017 No.	1 January 2015 to 31 March 2016 No.
Employees	<u>40</u>	<u>37</u>

4 Tangible fixed assets

	Leasehold property improvements £	Plant and machinery £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2016	48,739	244,167	189,051	273,185	755,142
Additions	10,492	13,684	-	131,841	156,017
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(102,345)</u>	<u>(102,345)</u>
At 31 March 2017	<u>59,231</u>	<u>257,851</u>	<u>189,051</u>	<u>302,681</u>	<u>808,814</u>
Depreciation					
At 1 April 2016	12,114	134,703	143,851	80,374	371,042
Charge for the year	8,057	30,843	26,476	53,755	119,131
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>(48,466)</u>	<u>(48,466)</u>
At 31 March 2017	<u>20,171</u>	<u>165,546</u>	<u>170,327</u>	<u>85,663</u>	<u>441,707</u>
Net book value					
At 31 March 2016	<u>36,625</u>	<u>109,464</u>	<u>45,200</u>	<u>192,811</u>	<u>384,100</u>
At 31 March 2017	<u>39,060</u>	<u>92,305</u>	<u>18,724</u>	<u>217,018</u>	<u>367,107</u>

5 Fixed asset investments

	31 March 2017 £	31 March 2016 £
Investments in subsidiaries	4	4
Investments in joint ventures	<u>5,000</u>	<u>5,000</u>
	<u>5,004</u>	<u>5,004</u>
Subsidiary undertaking		£
Cost		
At 1 April 2016		<u>4</u>
At 31 March 2017		<u>4</u>
Carrying amount		
At 31 March 2017		<u>4</u>
At 31 March 2016		<u>4</u>
Joint venture		£
Cost		
At 1 April 2016		<u>5,000</u>
At 31 March 2017		<u>5,000</u>
Carrying amount		
At 31 March 2017		<u>5,000</u>
At 31 March 2016		<u>5,000</u>

6 Stocks

	31 March 2017 £	31 March 2016 £
Raw materials	240,488	243,560
Work in progress	<u>9,004</u>	<u>4,936</u>
	<u>249,492</u>	<u>248,496</u>

7 Debtors

	31 March 2017 £	31 March 2016 £
Trade debtors	722,148	947,540
Amounts owed from group undertakings	10,000	-
Amounts recoverable on contracts	496,364	146,888
Other debtors	575	47,956
Prepayments	117,052	105,100
	<u>1,346,139</u>	<u>1,247,484</u>

8 Creditors:
Amounts falling due within one year

	31 March 2017 £	31 March 2016 £
Bank overdraft	201,387	127,179
Hire purchase liabilities	42,663	41,580
Trade creditors	482,886	308,487
Social security and other taxes	42,170	101,447
Amounts owed to group undertakings	41,380	-
Accruals	954,510	994,887
	<u>1,764,996</u>	<u>1,573,580</u>
Amounts falling due after more than one year		
Hire purchase liabilities	<u>78,149</u>	<u>33,245</u>

9 Security

Bank overdraft and hire purchase loans totalling £322,199 (2016: £202,004) are secured by a legal charge over the assets of the company.

10 Share capital

Allotted, called up and fully paid shares

	31 March 2017		31 March 2016	
	No.	£	No.	£
A ordinary shares of £1 each	38,067	38,067	38,067	38,067
B ordinary shares of £1 each	37,400	37,400	37,400	37,400
D ordinary shares of £1 each	4,600	4,600	4,600	4,600
	<u>80,067</u>	<u>80,067</u>	<u>80,067</u>	<u>80,067</u>

11 Financial commitments

Total financial commitments, guarantees and contingencies, not included above, undertaken on behalf of which are not included in the balance sheet amount to £5,833 (2016: £70,000).

12 Related party transactions

Summary of transactions with group companies

During the year/period, recharges of £50,065 (2016: £96,583) were made by Spiroflow Systems Inc to Spiroflow Limited. Spiroflow Systems Inc is a group company registered in the United States of America.

13 Audit information

The option not to file the Audit Report has been taken. However, the following information is relevant:

- The report was unqualified; and
- There were no matters to which the auditor drew attention by way of emphasis.

The auditors were Brown Butler and the senior statutory auditor, who signed the report, was Denis Cross.

14 Transition to FRS 102

These financial statements are the first that comply with FRS 102.

The company's date of transition to FRS 102 is 1 January 2015.

The company's last financial statements prepared in accordance with previous UK GAAP were for the period ended 31 March 2016.

The transition to FRS 102 has resulted in no changes in the company's accounting policies compared to those used under previous UK GAAP and there were no changes to the figures previously reported for the period ended 31 March 2016.