

Shutdown Maintenance Services Limited

Directors' Report and Financial Statements

Year Ended

31 March 2019

Company Number 01348516

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Shutdown Maintenance Services Limited

Contents

	Page
Company Information	
Directors' Report	1 - 2
Independent Auditors' Report	3 - 5
Statement of Income and Retained Earnings	6
Balance Sheet	7
Notes to the Financial Statements	8 - 13

Company Information

Directors	T W Godfray P Lowe M D Clapp I G Robinson M R Carrington
Registered number	01348516
Registered office	Kingsnorth Industrial Estate Hoo Rochester Kent ME3 9ND
Independent auditors	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

Shutdown Maintenance Services Limited

Directors' Report For the Year Ended 31 March 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Principal activity

The company's principal activity continues to be anti-corrosion and waterproofing contractor, the preparation and finishing to a range of structures (metal, concrete and wood), through process of grit blasting, water jetting, metal spraying and application of coatings. Additionally the company is expanding its operations in the fourth quarter of the current financial year to incorporate a powder coating facility.

Directors

The directors who served during the year were:

T W Godfray
P Lowe
M D Clapp
I G Robinson
M R Carrington

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of the profit or loss of the company for that period.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements 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 to 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.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Shutdown Maintenance Services Limited

Directors' Report (continued) For the Year Ended 31 March 2019

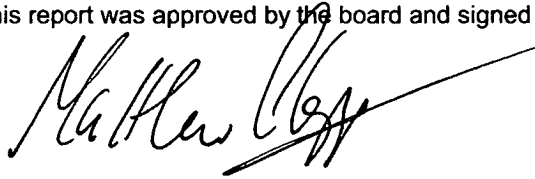
Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



M D Clapp
Director

Date: 01/12/2019

Shutdown Maintenance Services Limited

Independent Auditors' Report to the members of Shutdown Maintenance Services Limited

Opinion

We have audited the financial statements of Shutdown Maintenance Services Limited (the 'company') for the year ended 31 March 2019 which comprise the Statement of Income and Retained Earnings, Balance Sheet and notes to the financial statements, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss 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.

Shutdown Maintenance Services Limited

Independent Auditors' Report to the members of Shutdown Maintenance Services Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a Strategic Report.

Shutdown Maintenance Services Limited

Independent Auditors' Report to the members of Shutdown Maintenance Services Limited (continued)

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.

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. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.



Christopher Driver (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Southampton
United Kingdom

Date: 2nd December 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Shutdown Maintenance Services Limited

Statement of Income and Retained Earnings For the Year Ended 31 March 2019

	Note	2019 £	As restated 2018 £
Turnover		1,445,001	1,432,358
Cost of sales		(1,467,987)	(1,367,788)
Gross (loss)/profit		(22,986)	64,570
Administrative expenses		(508,885)	(412,594)
Other operating income		19,050	22,200
Gain from changes in fair value of investment property		20,000	35,000
Operating profit	2	(492,821)	(290,824)
Interest receivable and similar income		4,020	1,891
Loss before tax		(488,801)	(288,933)
Tax on loss		(1,953)	31,332
Loss after tax		(490,754)	(257,601)
Retained earnings at the beginning of the year		1,798,198	2,055,799
Loss for the year		(490,754)	(257,601)
Retained earnings at the end of the year		1,307,444	1,798,198

The notes on pages 8 to 13 form part of these financial statements.

Shutdown Maintenance Services Limited

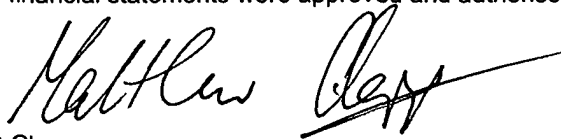
Registered number: 01348516

Balance Sheet As at 31 March 2019

	Note	2019 £	2019 £	As restated 2018 £	As restated 2018 £
Fixed assets					
Tangible assets	4		147,364		148,135
Investment property	5		230,000		210,000
			<u>377,364</u>		<u>358,135</u>
Current assets					
Stocks		5,464		5,464	
Debtors	6	329,871		698,021	
Cash at bank and in hand		838,975		966,110	
		<u>1,174,310</u>		<u>1,669,595</u>	
Creditors: amounts falling due within one year	7	(194,230)		(179,532)	
Net current assets			<u>980,080</u>		<u>1,490,063</u>
Net assets			<u><u>1,357,444</u></u>		<u><u>1,848,198</u></u>
Capital and reserves					
Called up share capital	9	27,500		27,500	
Other reserves	10	22,500		22,500	
Profit and loss account	10	1,307,444		1,798,198	
		<u>1,357,444</u>		<u>1,848,198</u>	

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


 M D Clapp
 Director

Date: 01/12/2019

The notes on pages 8 to 13 form part of these financial statements.

Shutdown Maintenance Services Limited

Notes to the Financial Statements For the Year Ended 31 March 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

Shutdown Maintenance Services Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

1.2 Turnover

Turnover represents the fair value of sales to external customers at invoiced amounts excluding value added tax. Turnover is recognised as contract activity progresses and the right to consideration is earned. Fair value reflects the amount expected to be recoverable from customers based on costs incurred to date.

Turnover, which has been recognised but not invoiced by the balance sheet date, is included in debtors as amounts recoverable on contracts.

1.3 Tangible fixed assets

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold land	- 4% straight line
Plant and Machinery	- 20% straight line
Fixtures and fittings	- 33.3% straight line

1.4 Investment property

Investment property is carried at fair value determined by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Income and Retained Earnings.

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

1.6 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

Shutdown Maintenance Services Limited

Notes to the Financial Statements For the Year Ended 31 March 2019

1. Accounting policies (continued)

1.7 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The company also makes contributions to individual pension schemes of certain employees.

All contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

1.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.9 Prior year adjustment

In the prior year financial statements the company's turnover was overstated due to a previously unknown reduction in the margin made on certain contracts. This has resulted in a decrease in debtors of £454,000 and a decrease in turnover of the same amount. There is also an impact on the prior year tax charge resulting in a decrease in the tax charge of £52,428 and a decrease in the corporation tax creditor of the same amount. This prior year adjustment has meant a decrease in the reported net assets as at 31 March 2018 of £401,572 and a decrease in the previously reported profit for the year ended 31 March 2018 of the same amount. No other reported balances have been affected.

Shutdown Maintenance Services Limited

Notes to the Financial Statements For the Year Ended 31 March 2019

2. Operating loss

The operating loss is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	16,940	20,132
Fees payable to the company's auditors of the company's annual financial statements	9,600	9,250
Defined contribution pension cost	4,354	8,746

3. Employees

The average monthly number of employees, including directors, during the year was 26 (2018 - 25).

4. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2018	206,139	515,309	15,966	737,414
Additions	-	16,169	-	16,169
At 31 March 2019	206,139	531,478	15,966	753,583
Depreciation				
At 1 April 2018	73,662	499,651	15,966	589,279
Provided for the year	3,871	13,069	-	16,940
At 31 March 2019	77,533	512,720	15,966	606,219
Net book value				
At 31 March 2019	128,606	18,758	-	147,364
At 31 March 2018	132,477	15,658	-	148,135

Shutdown Maintenance Services Limited

Notes to the Financial Statements For the Year Ended 31 March 2019

5. Investment property

	Freehold investment property £
Valuation	
At 1 April 2018	210,000
Surplus on revaluation	20,000
At 31 March 2019	230,000

The investment property was subject to a full valuation on 1 June 2018 which was updated on 27 February 2019 by chartered surveyors at open market value. The amount of the valuation of £230,000 gave rise to a gain on fair value of £20,000 which has been recognised in the Statement of Income and Retained Earnings.

If the investment property had been accounted for under the historic cost accounting rules, the property would have been measured as follows:

	2019 £	2018 £
Historic cost	77,500	77,500

6. Debtors

	2019 £	As restated 2018 £
Due within one year		
Trade debtors	179,110	69,024
Other debtors	6,746	18,800
Amounts recoverable on contracts	85,060	575,000
Tax recoverable	52,428	26,717
Deferred taxation (see note 8)	6,527	8,480
	329,871	698,021

Shutdown Maintenance Services Limited

Notes to the Financial Statements For the Year Ended 31 March 2019

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	80,795	58,121
Other taxation and social security	39,349	62,186
Other creditors	74,086	59,225
	<u>194,230</u>	<u>179,532</u>

8. Deferred taxation

	2019 £	2018 £
At beginning of the year	8,480	8,156
(Charged)/credited to profit or loss	(1,953)	324
At end of year	<u>6,527</u>	<u>8,480</u>

The deferred tax asset is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	10,747	8,414
Revaluation of investment property	(3,488)	-
Short term timing differences	(732)	66
	<u>6,527</u>	<u>8,480</u>

The company has an unprovided deferred tax asset in respect of carried forward trading losses totalling £114,000 (2018 - £36,000).

9. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
27,500 (2018 - 27,500) Ordinary shares of £1 each	<u>27,500</u>	<u>27,500</u>

Shutdown Maintenance Services Limited

Notes to the Financial Statements For the Year Ended 31 March 2019

10. Reserves

Other reserves

The other reserve represents the nominal value of shares repurchased by the company.

Profit and loss account

The profit and loss account represents accumulated comprehensive income for the year and prior periods less any dividends paid.

11. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £4,354 (2018 - £8,746). At the year end there were outstanding contributions of £344 (2018 - £385).

12. Related party transactions

The company paid £20,000 (2018 - £Nil) to a related party in respect of fees for the services of certain non-executive directors. This is related through common directorship. There were no amounts outstanding at the year end (2018 - £Nil).

Key management personnel include those people who together have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £178,375 (2018 - £139,838).

13. Controlling party

Falcon Holdings Limited, a company registered in Belize, is considered to be the largest shareholder in the company. The shares in Falcon Holdings Limited are held by Lord Ashcroft, KCMG, PC.