

REGISTRAR COPY

Registered number: 01656155

THE UTILE ENGINEERING CO. LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019



THE UTILE ENGINEERING CO. LIMITED
REGISTERED NUMBER:01656155

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	72,332	64,542
		<u>72,332</u>	<u>64,542</u>
Current assets			
Stocks	6	935,671	829,574
Debtors: amounts falling due within one year	7	1,435,144	1,165,032
Cash at bank and in hand	8	327,378	190,626
		<u>2,698,193</u>	<u>2,185,232</u>
Creditors: amounts falling due within one year	9	(1,452,718)	(1,034,637)
Net current assets		<u>1,245,475</u>	<u>1,150,595</u>
Total assets less current liabilities		<u>1,317,807</u>	<u>1,215,137</u>
Creditors: amounts falling due after more than one year		(13,032)	-
Provisions for liabilities			
Deferred tax	12	(10,561)	(8,694)
		<u>(10,561)</u>	<u>(8,694)</u>
Net assets		<u>1,294,214</u>	<u>1,206,443</u>
Capital and reserves			
Called up share capital		50,782	50,782
Capital redemption reserve		5,000	5,000
Profit and loss account		1,238,432	1,150,661
		<u>1,294,214</u>	<u>1,206,443</u>

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2019

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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



T E Poole
Director

Date: 12/7/2019

The notes on pages 3 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. General information

The Utile Engineering Co. Limited is a company limited by shares, domiciled in England and Wales, registered number 01656155. The registered office is New Street, Irthlingborough, Northants, NN9 5UG.

2. Accounting policies

2.1 Basis of preparation of financial statements

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:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.5 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.7 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.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	- 10% of cost
Motor vehicles	- 25% of cost
Fixtures and fittings	- 15% of cost
Computer equipment	- 20% of cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 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 measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

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

2.13 Financial instruments

The Company only enters into basic financial instrument 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, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the

THE UTILE ENGINEERING CO. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)**2.13 Financial instruments (continued)**

asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 50 (2018 - 49).

4. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	37,855	-
Adjustments in respect of previous periods	(12,588)	(25,219)
	<u>25,267</u>	<u>(25,219)</u>
Total current tax	<u>25,267</u>	<u>(25,219)</u>
Deferred tax		
Origination and reversal of timing differences	1,867	(10,234)
Total deferred tax	<u>1,867</u>	<u>(10,234)</u>
Taxation on profit/(loss) on ordinary activities	<u>27,134</u>	<u>(35,453)</u>

THE UTILE ENGINEERING CO. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

4. Taxation (continued)

Factors affecting tax charge for the year

The adjustments in respect of previous periods were in respect of R&D claims submitted.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

5. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2018	59,750	168,039	87,733	14,779	330,301
Additions	-	35,204	-	3,365	38,569
Disposals	(14,995)	(27,535)	-	-	(42,530)
At 31 March 2019	<u>44,755</u>	<u>175,708</u>	<u>87,733</u>	<u>18,144</u>	<u>326,340</u>
Depreciation					
At 1 April 2018	33,322	139,429	78,233	14,775	265,759
Charge for the year on owned assets	5,130	21,922	3,269	458	30,779
Disposals	(14,995)	(27,535)	-	-	(42,530)
At 31 March 2019	<u>23,457</u>	<u>133,816</u>	<u>81,502</u>	<u>15,233</u>	<u>254,008</u>
Net book value					
At 31 March 2019	<u>21,298</u>	<u>41,892</u>	<u>6,231</u>	<u>2,911</u>	<u>72,332</u>
At 31 March 2018	<u>26,428</u>	<u>28,610</u>	<u>9,500</u>	<u>4</u>	<u>64,542</u>

6. Stocks

	2019 £	2018 £
Raw materials and consumables	<u>935,671</u>	<u>829,574</u>

THE UTILE ENGINEERING CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

7. Debtors

	2019 £	2018 £
Trade debtors	959,036	687,516
Amounts owed by group undertakings	461,142	437,599
Other debtors	1,674	37,202
Prepayments and accrued income	13,292	2,715
	<u>1,435,144</u>	<u>1,165,032</u>

8. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>327,378</u>	<u>190,626</u>

9. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	440,875	398,979
Amounts owed to group undertakings	75,000	75,000
Corporation tax	25,267	-
Other taxation and social security	179,347	159,450
Obligations under finance lease and hire purchase contracts	6,794	-
Other creditors	14,032	13,320
Accruals and deferred income	711,403	387,888
	<u>1,452,718</u>	<u>1,034,637</u>

10. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	<u>13,032</u>	<u>-</u>

11. Financial instruments

All debtors and creditors are basic financial instruments and are held at amortised cost.

THE UTILE ENGINEERING CO. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

12. Deferred taxation

	2019 £
At beginning of year	(8,694)
Charged to profit or loss	(1,867)
At end of year	(10,561)

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(11,328)	(9,681)
Short term timing differences	767	987
	(10,561)	(8,694)

13. Contingencies

The company has given its bankers cross guarantees in favour of group companies.

14. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £85,790 (2018 - £63,525).

Contributions totalling £8,970 (2018 - £9,805) were payable to the fund at the balance sheet date and are included in other creditors.

15. Related party transactions

The company was under the control of Mr and Mrs T E Poole during the current year due to their majority shareholding in the holding company.

The company is a wholly owned subsidiary of Utile Holdings Limited and therefore has not reported transactions with wholly owned group members in accordance with FRS102.

16. Controlling party

100% of the issued share capital in The Utile Engineering Co Limited is owned by Utile Holdings Limited, a company incorporated in England.