COMPANY REGISTRATION NUMBER: 03639121

B&B PRECISION ENGINEERING (HUDDERSFIELD) LIMITED

FILLETED UNAUDITED FINANCIAL STATEMENTS

31 July 2017

B&B PRECISION ENGINEERING (HUDDERSFIELD) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2017

Contents **Pages**

Balance sheet **1 to 2**

Notes to the financial statements **3 to 9**

B&B PRECISION ENGINEERING (HUDDERSFIELD) LIMITED

BALANCE SHEET

31 July 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	6	**988,359**	*1,012,871*
Current assets			
Stocks	7	**46,661**	*26,525*
Debtors	8	**803,032**	*478,004*
Cash at bank and in hand		**15,343**	*76,987*
		865,036	*581,516*
Creditors: amounts falling due within one year	9	**(815,256)**	*(597,387)*
Net current assets/(liabilities)		**49,780**	*(15,871)*
Total assets less current liabilities		**1,038,139**	*997,000*
Creditors: amounts falling due after more than one year	10	**(464,820)**	*(599,290)*
Provisions			
Taxation including deferred tax		**(109,000)**	*(96,079)*
Net assets		**464,319**	*301,631*
Capital and reserves			
Called up share capital	12	**100**	*100*
Profit and loss account		**464,219**	*301,531*
Members funds		**464,319**	*301,631*

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the profit and loss account has not been delivered.

For the year ending 31 July 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 ;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

These financial statements were approved by the board of directors and authorised for issue on 1 December 2017 , and are signed on behalf of the board by:

S D Haigh

Director

Company registration number: 03639121

B&B PRECISION ENGINEERING (HUDDERSFIELD) LIMITED

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 3a, Dearne Park Estate, Park Mill Way, Clayton West, Huddersfield, HD8 9XJ.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 August 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 15.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership 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.

Taxation

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 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.

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	-	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. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

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:

Freehold property	-	2% straight line
Plant and machinery	-	15% reducing balance
Motor vehicles	-	25% reducing balance
Computer equipment	-	33% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

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 balance sheet and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

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. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 25 (2016: 22).

5. Intangible assets

	Goodwill
	£
Cost	
At 1 August 2016 and 31 July 2017	**12,000**
Amortisation	
At 1 August 2016 and 31 July 2017	**12,000**
Carrying amount	
At 31 July 2017	**–**

6. Tangible assets

	Freehold property	Plant and machinery	Motor vehicles	Computer equipment	**Total**
	£	£	£	£	**£**
Cost					
At 1 August 2016	388,923	971,399	14,995	23,069	**1,398,386**
Additions	–	92,278	–	1,101	**93,379**
Disposals	–	(20,000)	–	–	**(20,000)**
At 31 July 2017	388,923	1,043,677	14,995	24,170	**1,471,765**
Depreciation					
At 1 August 2016	15,558	349,129	2,812	18,016	**385,515**
Charge for the year	7,779	98,172	3,045	3,230	**112,226**
Disposals	–	(14,335)	–	–	**(14,335)**
At 31 July 2017	23,337	432,966	5,857	21,246	**483,406**
Carrying amount					
At 31 July 2017	365,586	610,711	9,138	2,924	**988,359**
At 31 July 2016	373,365	622,270	12,183	5,053	*1,012,871*

7. Stocks

	2017	2016
	£	*£*
Raw materials and consumables	**46,661**	*26,525*

8. Debtors

	2017	2016
	£	*£*
Trade debtors	**634,831**	*434,327*
Amounts owed by group undertakings	**135,750**	–
Prepayments and accrued income	**32,451**	*28,973*
Other debtors	–	*14,704*
	803,032	*478,004*

9. Creditors: amounts falling due within one year

	2017	2016
	£	*£*
Bank loans and overdrafts	**13,578**	*16,578*
Trade creditors	**293,012**	*178,185*
Accruals and deferred income	**40,743**	*27,538*
Corporation tax	**17,852**	*19*
Social security and other taxes	**46,976**	*45,279*
Obligations under finance leases and hire purchase contracts	**114,782**	*120,344*
Invoice finance facility	**288,313**	*209,444*
	815,256	*597,387*

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

	2017	2016
	£	*£*
Bank loans and overdrafts	**202,511**	*204,466*

Invoice finance facility	**168,396**	*292,831*
Accruals and deferred income	**93,913**	*101,993*
	464,820	*599,290*

11. Deferred tax

The deferred tax included in the balance sheet is as follows:

	2017	2016
	£	£
Included in provisions	**109,000**	*96,079*

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

	2017	2016
	£	£
Accelerated capital allowances	**109,000**	*96,079*

12. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £ 1 each	**100**	**100**	*100*	*100*

13. Operating leases

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

	2017	2016
	£	£
Not later than 1 year	**8,073**	*862*
Later than 1 year and not later than 5 years	**311,373**	*421,257*
	319,446	*422,119*

14. Related party transactions

Control of the company The company is a wholly owned subsidiary of S Haigh & Sons Engineering Limited. This company is controlled by S D Haigh and Mrs R D Haigh.

15. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 August 2015. No transitional adjustments were required in equity or profit or loss for the year.