

Teague Precision Chokes Ltd

Registered number: 04484322

Audited financial statements

For the year ended 30 September 2017

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TEAGUE PRECISION CHOKES LTD

COMPANY INFORMATION

Directors	Mr T Zjalic (appointed 3 February 2017) Mr A Clode (appointed 3 February 2017) Mr S Clode (deceased 21 December 2016)
Company secretary	Mr T Zjalic
Registered number	04484322
Registered office	130 Pritchett Street Birmingham West Midlands B6 4EH B6 4EH
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 45 Church Street Birmingham B3 2RT

TEAGUE PRECISION CHOKES LTD

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TEAGUE PRECISION CHOKES LTD
REGISTERED NUMBER: 04484322

BALANCE SHEET
AS AT 30 SEPTEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	7	4,627	10,202
Tangible assets	8	152,918	202,232
		<u>157,545</u>	<u>212,434</u>
Current assets			
Stocks	9	44,983	57,424
Debtors: amounts falling due within one year	10	430,699	435,131
Cash at bank and in hand	11	5,753	231
		<u>481,435</u>	<u>492,786</u>
Creditors: amounts falling due within one year	12	(112,059)	(163,600)
Net current assets		<u>369,376</u>	<u>329,186</u>
Total assets less current liabilities		<u>526,921</u>	<u>541,620</u>
Creditors: amounts falling due after more than one year	13	(72,250)	(102,939)
Provisions for liabilities			
Deferred tax	15	(21,500)	(30,145)
		<u>(21,500)</u>	<u>(30,145)</u>
Net assets		<u><u>433,171</u></u>	<u><u>408,536</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		433,071	408,436
		<u>433,171</u>	<u>408,536</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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 comprehensive income 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 on 5/6/18



Mr T Zjalic
Director

TEAGUE PRECISION CHOKES LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2016	100	408,436	408,536
Comprehensive income for the year			
Profit for the year	-	24,635	24,635
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	24,635	24,635
Total transactions with owners	-	-	-
At 30 September 2017	<u>100</u>	<u>433,071</u>	<u>433,171</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2015	100	460,413	460,513
Comprehensive income for the year			
Loss for the year	-	(51,977)	(51,977)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(51,977)	(51,977)
Total transactions with owners	-	-	-
At 30 September 2016	<u>100</u>	<u>408,436</u>	<u>408,536</u>

The notes on pages 3 to 14 form part of these financial statements.

TEAGUE PRECISION CHOKES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

1. General information

Teague Precision Chokes Limited (the Company) is a limited company incorporated and domiciled in the United Kingdom. The address of its registered office and principal place of business are as disclosed on the company information page of these financial statements.

The principal activity of the Company is the design, manufacture and sale of choke systems and choke tubes.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Westley Richards Holdings Limited as at 30 September 2017 and these financial statements may be obtained from the registered office.

The following principal accounting policies have been applied:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

2. Accounting policies (continued)

2.2 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.

2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.4 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, using the straight-line method or reducing balance method where appropriate.

Depreciation is provided on the following basis:

Plant & machinery	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Fixtures & fittings	- 25% on cost
Computer equipment	- 25% on 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 Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

2. Accounting policies (continued)

2.5 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.

2.6 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.

2.7 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.

2.8 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.

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 Comprehensive Income.

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.

2.9 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.

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

2. Accounting policies (continued)

2.11 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 Comprehensive Income 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.

2.12 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

2. Accounting policies (continued)**2.14 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

3. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	55,403	57,908
Amortisation of intangible assets	5,575	5,575
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	8,446	2,433
Defined contribution pension cost	3,435	4,006
	<u> </u>	<u> </u>

TEAGUE PRECISION CHOKES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

4. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Production	5	3
Administration	1	2
Marketing	1	-
	<u>7</u>	<u>5</u>

5. Staff costs

	2017 £	2016 £
Wages and salaries	181,543	173,224
Social security costs	16,781	18,328
Pension costs	3,435	4,006
	<u>201,759</u>	<u>195,558</u>

6. Taxation

	2017 £	2016 £
Corporation tax		
Adjustments in respect of previous periods	-	(10,583)
Total current tax	<u>-</u>	<u>(10,583)</u>
Deferred tax		
Origination and reversal of timing differences	(8,645)	25,651
Changes to tax rates	-	(793)
Total deferred tax	<u>(8,645)</u>	<u>24,858</u>
Taxation on (loss)/profit on ordinary activities	<u>(8,645)</u>	<u>14,275</u>

TEAGUE PRECISION CHOKES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

6. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 19.50% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit/(loss) on ordinary activities before tax	15,990	(37,702)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.50% (2016 - 20%)	3,118	(7,540)
Effects of:		
Expenses not deductible for tax purposes	265	-
Fixed asset differences	620	433
Adjustments to tax charge in respect of prior periods	22	(10,583)
Short term timing difference leading to an increase (decrease) in taxation	1,274	(5,293)
Group relief	(13,944)	37,258
Total tax charge for the year	(8,645)	14,275

TEAGUE PRECISION CHOKES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

7. Intangible assets

	Website development £
Cost	
At 1 October 2016	22,300
At 30 September 2017	<u>22,300</u>
Amortisation	
At 1 October 2016	12,098
Charge for the year	<u>5,575</u>
At 30 September 2017	<u>17,673</u>
Net book value	
At 30 September 2017	<u><u>4,627</u></u>
At 30 September 2016	<u><u>10,202</u></u>

TEAGUE PRECISION CHOKES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

8. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Total £
Cost					
At 1 October 2016	234,690	21,500	56,676	5,498	318,364
Additions	1,556	-	3,859	674	6,089
At 30 September 2017	<u>236,246</u>	<u>21,500</u>	<u>60,535</u>	<u>6,172</u>	<u>324,453</u>
Depreciation					
At 1 October 2016	89,635	10,666	13,934	1,897	116,132
Charge for the year on owned assets	36,443	2,708	14,723	1,529	55,403
At 30 September 2017	<u>126,078</u>	<u>13,374</u>	<u>28,657</u>	<u>3,426</u>	<u>171,535</u>
Net book value					
At 30 September 2017	<u>110,168</u>	<u>8,126</u>	<u>31,878</u>	<u>2,746</u>	<u>152,918</u>
At 30 September 2016	<u>145,055</u>	<u>10,834</u>	<u>42,742</u>	<u>3,601</u>	<u>202,232</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Plant and machinery	99,000	132,000
	<u>99,000</u>	<u>132,000</u>

9. Stocks

	2017 £	2016 £
Raw materials and consumables	4,316	690
Finished goods and goods for resale	40,667	56,734
	<u>44,983</u>	<u>57,424</u>

TEAGUE PRECISION CHOKES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

10. Debtors

	2017	2016
	£	£
Trade debtors	60,693	38,259
Amounts owed by group undertakings	345,371	368,521
Other debtors	134	10,583
Prepayments and accrued income	24,501	17,768
	<u>430,699</u>	<u>435,131</u>

11. Cash and cash equivalents

	2017	2016
	£	£
Cash at bank and in hand	5,753	233
Less: bank overdrafts	(1,297)	(73,804)
	<u>4,456</u>	<u>(73,571)</u>

12. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Bank overdrafts	1,297	73,804
Trade creditors	46,152	27,384
Amounts owed to group undertakings	65	3,096
Corporation tax	75	-
Other taxation and social security	22,969	21,231
Obligations under finance lease and hire purchase contracts	31,253	29,948
Accruals and deferred income	10,248	8,137
	<u>112,059</u>	<u>163,600</u>

TEAGUE PRECISION CHOKES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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

	2017 £	2016 £
Net obligations under finance leases and hire purchase contracts	72,250	102,939
	<u>72,250</u>	<u>102,939</u>

Secured loans

Obligations under finance leases and hire purchase contracts are secured by related assets.

14. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	31,253	29,948
Between 1-5 years	32,557	31,253
Over 5 years	39,693	71,686
	<u>103,503</u>	<u>132,887</u>

15. Deferred taxation

	2017 £	2016 £
At beginning of year	(30,145)	(5,287)
Released to profit or loss	8,645	(24,858)
At end of year	<u>(21,500)</u>	<u>(30,145)</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(21,500)	(30,195)
Short term timing differences	-	50
	<u>(21,500)</u>	<u>(30,145)</u>

TEAGUE PRECISION CHOKES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

16. 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 £3,435 (2016 - £4,006). There were no contributions (2016 - £nil) payable to the fund at the balance sheet date.

17. Controlling party

The company's ultimate parent undertaking is Westley Richards (Holdings) Limited, a company incorporated in England and Wales.

The company is under the control of the Clode family who own 52% of the ultimate parent company Westley Richards (Holdings) Limited.

18. Auditor's information

The auditor's report on the financial statements for the year ended 30 September 2017 was unqualified.

The audit report was signed on 13 June 2018 by Ian Holder (Senior Statutory Auditor) on behalf of Mazars LLP.