

TOW MASTER LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2018

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BALANCE SHEET
AS AT 28 FEBRUARY 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	142,342	114,554
Current assets			
Stocks		56,251	64,173
Debtors: amounts falling due within one year	5	70,486	79,789
Cash at bank and in hand		235,333	263,626
		<u>362,070</u>	<u>407,588</u>
Creditors: amounts falling due within one year	6	(109,767)	(192,340)
Net current assets		<u>252,303</u>	<u>215,248</u>
Total assets less current liabilities		<u>394,645</u>	<u>329,802</u>
Provisions for liabilities			
Deferred tax	7	(24,198)	(19,474)
		<u>(24,198)</u>	<u>(19,474)</u>
Net assets		<u><u>370,447</u></u>	<u><u>310,328</u></u>
Capital and reserves			
Called up share capital		1,250	1,250
Profit and loss account		369,197	309,078
		<u><u>370,447</u></u>	<u><u>310,328</u></u>

BALANCE SHEET (CONTINUED)
AS AT 28 FEBRUARY 2018

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 on 28 September 2018.

S.R. McIlhagga
Director

The notes on pages 3 to 8 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

1. General information

Tow Master Limited (the company) is a private company limited by shares incorporated in England. The address of the registered office is Rutland House, 148 Edmund Street, Birmingham, West Midlands, B3 2FD and its principal place of business is Unit 5 Amber Court, Walthew House Lane, Martland Park, Wigan, WN5 0JY.

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 financial statements are presented in Sterling (£).

The following principal accounting policies have been applied:

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 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line and reducing balance methods.

Depreciation is provided on the following basis:

Improvements to leasehold property	-	Over the term of the lease
Plant & machinery	-	25% on a reducing balance basis
Motor vehicles	-	25% on a reducing balance basis
Fixtures & fittings	-	15% on a reducing balance basis
Computer equipment	-	25% on a straight line basis
Hire fleet	-	20% on a reducing balance basis

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 profit and loss account.

2.4 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.

2.5 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.

2.6 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, loans to related parties and investments in non-puttable ordinary shares.

2.7 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

2. Accounting policies (continued)

2.8 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.

2.9 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 profit and loss account 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.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, 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. Employees

The average monthly number of employees, including directors, during the year was 12 (2017 - 11).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

4. Tangible fixed assets

	improve-ments to leasehold property £	Plant & machinery £	Motor vehicles £	Fixtures, fittings and computer equipment £	Hire fleet £	Total £
Cost						
At 1 March 2017	32,459	33,238	38,408	45,244	143,531	292,880
Additions	-	925	24,263	20,451	35,926	81,565
Disposals	-	-	-	-	(36,096)	(36,096)
At 28 February 2018	32,459	34,163	62,671	65,695	143,361	338,349
Depreciation						
At 1 March 2017	32,234	25,974	29,079	40,631	50,408	178,326
Charge for the period on owned assets	225	1,855	5,365	5,342	18,820	31,607
Disposals	-	-	-	-	(13,926)	(13,926)
At 28 February 2018	32,459	27,829	34,444	45,973	55,302	196,007
Net book value						
At 28 February 2018	-	6,334	28,227	19,722	88,059	142,342
At 28 February 2017	225	7,264	9,329	4,613	93,123	114,554

5. Debtors

	2018 £	2017 £
Trade debtors	55,388	69,336
Other debtors	5,281	833
Prepayments and accrued income	9,817	9,620
	<u>70,486</u>	<u>79,789</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

6. Creditors: Amounts falling due within one year

	2018 £	2017 £
Payments received on account	22,862	74,833
Trade creditors	40,416	70,443
Corporation tax	37,528	30,462
Other taxation and social security	3,469	12,794
Other creditors	878	177
Accruals and deferred income	4,614	3,631
	<u>109,767</u>	<u>192,340</u>

7. Deferred taxation

	2018 £
At beginning of year	(19,474)
Charged to profit or loss	(4,724)
At end of year	<u><u>(24,198)</u></u>

The provision for deferred taxation is made up as follows:

	2018 £
Accelerated capital allowances	<u><u>(24,198)</u></u>

8. 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 cost charge represents contributions payable by the company to the fund and amounted to £17,828 (2017: £15,570). There were contributions outstanding at the balance sheet date of £160 (2017: £177).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

9. Commitments under operating leases

At 28 February 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	<u>-</u>	<u>18,480</u>

10. Transactions with directors

During the year a loan was made to a director. At the balance sheet date £5,000 (2017: £Nil) was due from the director. There were no further advances or repayments made in the year and the loan was unsecured, interest free and repayable on demand.