

Company Registration No. 06503518 (England and Wales)

MAYFLOWER ENGINEERING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019
PAGES FOR FILING WITH REGISTRAR



MAYFLOWER ENGINEERING LIMITED

CONTENTS

	Page
Strategic report	1
Director's report	2
Balance sheet	3
Notes to the financial statements	4 - 11

MAYFLOWER ENGINEERING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The director presents the strategic report for the year ended 31 March 2019.

Fair review of the business

The principal activities of the company continue to be that of the design and manufacture of materials handling equipment, along with machining, fabrication and related services to the general engineering market. The principal activities of the company did not change during the year and are not expected to change during the next year.

Trading conditions were challenging in some sectors where Mayflower operates, so turnover showed a slight decrease overall against the previous year. Margins have also been under pressure in this environment. The company has responded positively with a program of restructuring and investment. The company has invested in the latest technology to improve its cutting and finishing capabilities, attracting new customers, and increasing efficiency. There is a new management team, and a focus on moving into some new markets to complement the existing customer base.

The director is satisfied with the balance sheet position, although net assets have decreased. Structured debt has been paid down by £260k, creating headroom to fund new investment of £550k in 2019. Cash collection has improved with debtor days reducing during the year.

During 2019-20, the business has weathered challenges thrown up by widely reported difficulties in the steel sector, with minimal impact, and after the investment and restructuring referred to above, is well placed to turn around the bottom line result in 2020.

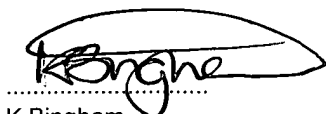
Principal risks and uncertainties

From a historic dependency on a small number of customers in traditional industries, the company's strategy in recent years has been to focus on the development of new customers requiring high-value added products. Implementation of this strategy has significantly reduced the risk associated with customer dependency.

The company's business may be affected by fluctuations in the price of supply of materials, especially steel, although sales pricing policy seeks to mitigate such risks where possible. Continuing weakness in sterling is not having much impact on the business at the moment.

The company is financed by a combination of variable rate fixed term debt, and short term asset finance. Interest rate exposure is considered to be low, so no hedging is undertaken.

On behalf of the board



K Bingham

Director

28.11.19.

MAYFLOWER ENGINEERING LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The director presents his annual report and financial statements for the year ended 31 March 2019.

Principal activities

The principal activities of the company continue to be that of the design and manufacture of materials handling equipment, along with machining, fabrication and related services to the general engineering market.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

K Bingham

D Bradley

(Resigned 10 June 2019)

Auditor

The auditor, BHP LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

select suitable accounting policies 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.

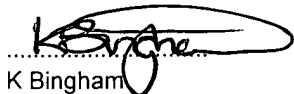
The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board


K Bingham

Director

28.11.19.

MAYFLOWER ENGINEERING LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	4	569,012		625,914	
Tangible assets	4	849,269		358,153	
		<u>1,418,281</u>		<u>984,067</u>	
Current assets					
Stocks		905,643		592,002	
Debtors	6	1,618,213		1,843,446	
Cash at bank and in hand		116,733		126,849	
		<u>2,640,589</u>		<u>2,562,297</u>	
Creditors: amounts falling due within one year	7	<u>(2,052,468)</u>		<u>(1,373,482)</u>	
Net current assets		588,121		1,188,815	
Total assets less current liabilities		<u>2,006,402</u>		<u>2,172,882</u>	
Creditors: amounts falling due after more than one year	9	(354,002)		(119,747)	
Provisions for liabilities	10	(80,000)		(52,100)	
Net assets		<u>1,572,400</u>		<u>2,001,035</u>	
Capital and reserves					
Called up share capital		67		67	
Share premium account		129,900		129,900	
Capital redemption reserve		33		33	
Profit and loss reserves		1,442,400		1,871,035	
Total equity		<u>1,572,400</u>		<u>2,001,035</u>	

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 28.11.19 and are signed on its behalf by:


K Bingham
Director
Company Registration No. 06503518

MAYFLOWER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Mayflower Engineering Limited is a private company limited by shares incorporated in England and Wales. The registered office is Coleridge Road, Sheffield, S9 5DA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. This is tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings leasehold	10% straight line
Plant & machinery	12.5% straight line
Office equipment	25% straight line
Motor vehicles	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

MAYFLOWER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with bank and other short-term liquid investments with original maturities of three months or less.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

MAYFLOWER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

MAYFLOWER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 83 (2018 - 79).

3 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 April 2018 and 31 March 2019	1,138,033
Amortisation and impairment	
At 1 April 2018	512,119
Amortisation charged for the year	56,902
At 31 March 2019	569,021
Carrying amount	
At 31 March 2019	569,012
At 31 March 2018	625,914

MAYFLOWER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

4 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Total £
Cost			
At 1 April 2018	39,778	824,825	864,603
Additions	1,624	610,365	611,989
At 31 March 2019	41,402	1,435,190	1,476,592
Depreciation and impairment			
At 1 April 2018	3,034	503,416	506,450
Depreciation charged in the year	3,975	116,898	120,873
At 31 March 2019	7,009	620,314	627,323
Carrying amount			
At 31 March 2019	34,393	814,876	849,269
At 31 March 2018	36,744	321,409	358,153

5 Fixed asset investments

	2019 £	2018 £
Investment in subsidiary	30,000	30,000
Loan to subsidiary	(30,000)	(30,000)
	-	-

6 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	1,567,666	1,791,321
Other debtors	50,547	52,125
	1,618,213	1,843,446

MAYFLOWER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

7 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans	40,557	99,845
Trade creditors	890,169	693,592
Corporation tax	(72,969)	(78,200)
Other taxation and social security	192,651	346,167
Other creditors	1,002,060	312,078
	<u>2,052,468</u>	<u>1,373,482</u>

Included in other creditors above is an amount £657,116 related to invoice discounting. A security of fixed and floating charges is held over all the fixed assets of the company.

8 Loans and overdrafts

	2019 £	2018 £
Bank loans	<u>40,557</u>	<u>141,304</u>
Payable within one year	40,557	99,845
Payable after one year	<u>-</u>	<u>41,459</u>

Bank loans are secured by a debenture over the assets of the company.

9 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans and overdrafts	-	41,459
Other creditors	354,002	78,288
	<u>354,002</u>	<u>119,747</u>

10 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
ACAs	<u>80,000</u>	<u>52,100</u>

MAYFLOWER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

10 Deferred taxation

(Continued)

	2019 £
Movements in the year:	
Liability at 1 April 2018	52,100
Charge to profit or loss	27,900
Liability at 31 March 2019	<u>80,000</u>

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Paul Winwood.
The auditor was BHP LLP.

12 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2019 £	2018 £
Total lease commitments	<u>29,809</u>	<u>41,079</u>

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2019 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	Direct %
Mayflower Engineering UK Limited England	Dormant	Ordinary	100.00

MAYFLOWER ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

13 Subsidiaries

(Continued)

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Mayflower Engineering UK Limited	-	30,000