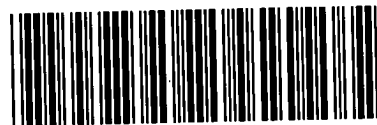


Company Registration No. 00478098 (England and Wales)

CATHODIC PROTECTION CO LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017
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CATHODIC PROTECTION CO LIMITED

COMPANY INFORMATION

Directors R Holden MBA
K Sneller FCMA

Company number 00478098

Registered office Venture Way
Grantham
NG31 7XS

Auditor BHP LLP
2 Rutland Park
Sheffield
S10 2PD

CATHODIC PROTECTION CO LIMITED

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CATHODIC PROTECTION CO LIMITED

BALANCE SHEET

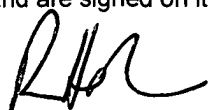
AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Intangible assets			20,858		25,493
Tangible assets	4		208,106		227,540
Investments	5		101,863		108,187
			<u>330,827</u>		<u>361,220</u>
Current assets					
Stocks		1,327,875		1,322,473	
Debtors	6	2,887,044		2,390,169	
Cash at bank and in hand		367,354		385,929	
		<u>4,582,273</u>		<u>4,098,571</u>	
Creditors: amounts falling due within one year	7	<u>(2,856,895)</u>		<u>(2,434,771)</u>	
Net current assets			<u>1,725,378</u>		<u>1,663,800</u>
Total assets less current liabilities			<u>2,056,205</u>		<u>2,025,020</u>
Creditors: amounts falling due after more than one year	8		(103)		(278)
Net assets			<u><u>2,056,102</u></u>		<u><u>2,024,742</u></u>
Capital and reserves					
Called up share capital	9		309,065		309,065
Share premium account			15,000		15,000
Profit and loss reserves			<u>1,732,037</u>		<u>1,700,677</u>
Total equity			<u><u>2,056,102</u></u>		<u><u>2,024,742</u></u>

The directors of the company have 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 14 March 2018 and are signed on its behalf by:



R Holden MBA
Director

Company Registration No. 00478098

CATHODIC PROTECTION CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Catholic Protection Co Limited is a private company limited by shares incorporated in England and Wales. The registered office is Venture Way, Grantham, NG31 7XS.

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.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Catholic Protection Co Limited is a wholly owned subsidiary of Hostombe Group Limited and the results of Catholic Protection Co Limited are included in the consolidated financial statements of Hostombe Group Limited which are available from the registered office.

1.2 Going concern

Whilst the company made a small profit for the year of £31,360, market conditions in the current year have been challenging with a loss being made in the nine months to 31 December 2017. However, the directors have prepared trading and cash flow forecasts to March 2019 which show the company returning to profitability. In addition, the company has facilities in place with the bank to provide sufficient working capital to meet the company's forecast requirements for at least the next six months. The directors have conducted a strategic review of the business which, together with the factors noted above, gives them a reasonable expectation that the company has adequate resources to continue for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

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.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

CATHODIC PROTECTION CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.5 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.6 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	2% straight line
Plant and machinery	20% reducing balance / 10% straight line
Fixtures, fittings and equipment	15% reducing balance / 20-33.3% straight line
Motor vehicles	25% reducing balance

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.

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.8 Impairment of fixed assets

At each reporting period 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

CATHODIC PROTECTION CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 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. Reversals of impairment losses are also recognised in profit or loss.

1.10 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 banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 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 balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors 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 unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

CATHODIC PROTECTION CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

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.

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.

1.12 Equity instruments

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

1.13 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.14 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.

CATHODIC PROTECTION CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

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

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date, except to the extent that they are covered by forward contracts. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 49 (2016-51)

CATHODIC PROTECTION CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

3 Intangible fixed assets

	Goodwill £	Other £	Total £
Cost			
At 1 April 2016 and 31 March 2017	46,351	59,182	105,533
Amortisation and impairment			
At 1 April 2016	20,858	59,182	80,040
Amortisation charged for the year	4,635	-	4,635
At 31 March 2017	25,493	59,182	84,675
Carrying amount			
At 31 March 2017	20,858	-	20,858
At 31 March 2016	25,493	-	25,493

4 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2016	145,186	203,535	288,387	63,886	700,994
Additions	-	18,555	8,895	-	27,450
Disposals	-	-	(2,108)	(35,831)	(37,939)
At 31 March 2017	145,186	222,090	295,174	28,055	690,505
Depreciation and impairment					
At 1 April 2016	15,042	160,960	246,176	51,276	473,454
Depreciation charged in the year	3,171	12,915	19,992	2,732	38,810
Eliminated in respect of disposals	-	-	-	(29,865)	(29,865)
At 31 March 2017	18,213	173,875	266,168	24,143	482,399
Carrying amount					
At 31 March 2017	126,973	48,215	29,006	3,912	208,106
At 31 March 2016	130,144	42,575	42,211	12,610	227,540

5 Fixed asset investments

	2017 £	2016 £
Investments	101,863	108,187

CATHODIC PROTECTION CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

5 Fixed asset investments

(Continued)

Movements in fixed asset investments

	Shares in group undertakings	Other investments other than loans	Total
	£	£	£
Cost or valuation			
At 1 April 2016	1	108,186	108,187
Disposals	-	(6,324)	(6,324)
At 31 March 2017	1	101,862	101,863
Carrying amount			
At 31 March 2017	1	101,862	101,863
At 31 March 2016	1	108,186	108,187

6 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	2,160,692	1,570,960
Corporation tax recoverable	522,147	501,147
Amounts owed by group undertakings	-	160,299
Other debtors	185,930	142,213
	2,868,769	2,374,619
Deferred tax asset	15,550	15,550
	2,884,319	2,390,169
Amounts falling due after more than one year:		
Trade debtors	2,725	-
Total debtors	2,887,044	2,390,169

CATHODIC PROTECTION CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

7 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	327,472	173,000
Trade creditors	1,334,039	1,282,310
Amounts due to group undertakings	404,389	64,400
Corporation tax	501,147	501,147
Other taxation and social security	41,584	38,671
Other creditors	248,264	375,243
	<u>2,856,895</u>	<u>2,434,771</u>

8 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Other creditors	103	278
	<u>103</u>	<u>278</u>

9 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
76,000 A Ordinary shares of £1 each	76,000	76,000
24,000 B Ordinary shares of £1 each	24,000	24,000
209,065 Deferred ordinary shares of £1 each	209,065	209,065
	<u>309,065</u>	<u>309,065</u>

The deferred ordinary shares carry no voting rights or rights to distributions out of the company's income or profits.

As regards capital on a return of assets on liquidation or otherwise, the assets of the company available for distribution amongst the members remaining after the payment of £25,000 per share to the holders of the 'A' ordinary shares and the 'B' ordinary shares shall be applied in repaying to the holders of the Deferred shares the amount paid up on such shares.

10 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 Lisa Leighton.

The auditor was BHP LLP.

CATHODIC PROTECTION CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

11 Financial commitments, guarantees and contingent liabilities

The company has placed bonds with customers which guarantee tender prices for contracts or performance to specification of finished products. The total outstanding and potentially claimable on the guarantees at 31 March 2017 was £660,840 (2016: £989,198).

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:

2017	2016
£	£
317,227	394,379
<u><u> </u></u>	<u><u> </u></u>

13 Parent company

Cathodic Protection Co Limited is a wholly-owned subsidiary of Hostombe Group Limited, a company registered in England and Wales. Hostombe Group Limited prepares consolidated accounts and these can be obtained from Companies House.