Blundell Production Equipment Limited

Unaudited
Directors' report and financial statements

For the year ended 31 December 2018

Registered number: 00929625

Company Information

Directors	Neil Martin Blundell Steven Richard Pell Hugh Mark Whitcomb
Company secretary	Inca Ross
Registered number	00929625
Registered office	80 New Bond Street London W1S 1SB

Contents

Directors' report

For the year ended 31 December 2018

The directors present their report and the financial statements of Blundell Production Equipment Limited ('the company') for the year ended 31 December 2018.

Directors

The directors who served during the year were:

Neil Martin Blundell
Steven Richard Pell
Hugh Mark Whitcomb

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 27 SEPTEMBER 2019 and signed on its behalf.

SPell

Steven Richard Pell
Director

Statement of comprehensive income
For the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover		**5,712,912**	5,618,297
Cost of sales		**(4,041,271)**	(4,002,512)
Gross profit		**1,671,641**	1,615,785
Distribution costs		**(425,663)**	(394,270)
Administrative expenses		**(895,344)**	(883,915)
Other operating income		**-**	3,621
Operating profit		**350,634**	341,221
Interest payable and expenses		**(84,655)**	(84,186)
Profit before tax		**265,979**	257,035
Tax on profit		**(58,771)**	(50,442)
Profit for the financial year		**207,208**	206,593

There was no other comprehensive income for 2018 or 2017.

The notes on pages 5 to 12 form part of these financial statements.

Statement of financial position

As at 31 December 2018

	Note		2018 £		2017 £
Fixed assets					
Tangible assets	4		**253,137**		250,487
			253,137		250,487
Current assets					
Stocks		**1,323,179**		1,271,733	
Debtors	5	**1,362,430**		1,453,870	
Cash at bank and in hand	6	**604,802**		153,627	
		3,290,411		2,879,230	
Creditors: amounts falling due within one year	7	**(1,905,794)**		(1,511,507)	
Net current assets			**1,384,617**		1,367,723
Total assets less current liabilities			**1,637,754**		1,618,210
Creditors: amounts falling due after more than one year	8		**(440,189)**		(627,854)
Deferred tax			**(3,100)**		(3,100)
Net assets			**1,194,465**		987,256
Capital and reserves					
Called up share capital			**100,000**		100,000
Profit and loss account			**1,094,465**		887,256
			1,194,465		987,256

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.

Statement of financial position (continued)
As at 31 December 2018

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
27 SEPTEMBER 2019.

Steven Richard Pell
Director

The notes on pages 5 to 12 form part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2018

1. *General information*

The company is a private company limited by shares and incorporated in England and Wales. The registered office is 80 New Bond Street, London, England, W1S 1SB.

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 following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

Notes to the financial statements
For the year ended 31 December 2018

2. Accounting policies (continued)

2.3 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.

2.4 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 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.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.7 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 Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Notes to the financial statements
For the year ended 31 December 2018

2. Accounting policies (continued)

2.8 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 reporting 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 Statement of financial position 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 reporting date.

2.9 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.

Depreciation is provided on the following basis:

Leasehold improvements	- Over the length of the lease
Plant and machinery	- 10% 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 31 December 2018

2. Accounting policies (continued)

2.10 *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 reporting 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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 Statement of financial position 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 Statement of financial position.

2.15 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and

Notes to the financial statements
For the year ended 31 December 2018

2. Accounting policies (continued)

2.15 Financial instruments (continued)

subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 reporting date.

3. Employees

The average monthly number of employees, including directors, during the year was 24 (2017 - 24).

Notes to the financial statements
For the year ended 31 December 2018

4. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2018	98,392	494,149	592,541
Additions	-	120,660	120,660
Disposals	-	(89,589)	(89,589)
At 31 December 2018	98,392	525,220	623,612
Depreciation			
At 1 January 2018	92,659	249,395	342,054
Charge for the year	5,733	80,007	85,740
Disposals	-	(57,319)	(57,319)
At 31 December 2018	98,392	272,083	370,475
Net book value			
At 31 December 2018	-	253,137	253,137
At 31 December 2017	5,733	244,754	250,487

5. Debtors

	2018 £	2017 £
Trade debtors	697,936	989,345
Amounts owed by group undertakings	473,888	227,316
Prepayments and accrued income	190,606	237,209
	1,362,430	1,453,870

Notes to the financial statements
For the year ended 31 December 2018

6. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	**604,802**	153,627
	604,802	153,627

7. Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans	**407,973**	308,789
Payments received on account	**534,031**	459,095
Trade creditors	**348,008**	274,564
Corporation tax	**58,771**	47,992
Other taxation and social security	**301,309**	223,127
Obligations under finance lease and hire purchase contracts	**67,943**	58,475
Accruals and deferred income	**187,759**	139,465
	1,905,794	1,511,507

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

	2018 £	2017 £
Bank loans	**379,889**	571,191
Net obligations under finance leases and hire purchase contracts	**60,300**	56,663
	440,189	627,854

Notes to the financial statements

For the year ended 31 December 2018

9. Loans

Analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year		
Bank loans	**407,973**	308,789
	407,973	308,789
Amounts falling due 1-2 years		
Bank loans	**379,889**	571,191
	379,889	571,191
	787,862	879,980

10. Commitments under operating leases

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	£	£
Not later than 1 year	-	51,375
	-	51,375