

COMPANY REGISTRATION NUMBER: 02367635

Cottam and Brookes Engineering Co. (1985) Limited

Filleted Unaudited Financial Statements

Year ended

31 March 2017

Cottam and Brookes Engineering Co. (1985) Limited

Financial Statements

Year ended 31st March 2017

Contents	Pages
Officers and professional advisers	1
Statement of financial position	2 to 3
Notes to the financial statements	4 to 9

Cottam and Brookes Engineering Co. (1985) Limited

Officers and Professional Advisers

The board of directors	Mr J.A. Edmunds
	Mr S.J. Edmunds
Company secretary	Mr S.J. Edmunds
Registered office	First Avenue
	Trecenydd
	Caerphilly
	CF83 2SD
Accountants	Evans Murdoch & Co Ltd
	Chartered Certified Accountants
	26-27 Park Street
	Treforest
	Pontypridd
	Rhondda Cynon Taff
Bankers	CF37 1SN
	Barclays Bank plc
	91 Taff Street
	Pontypridd
	CF37 4SL

Cottam and Brookes Engineering Co. (1985) Limited

Statement of Financial Position

31 March 2017

		2017	2016
	Note	£	£
Fixed assets			
Tangible assets	5	266,576	291,652
Current assets			
Stocks		246,638	183,806
Debtors	6	304,911	333,305
Cash at bank and in hand		228,979	239,073
		780,528	756,184
Creditors: amounts falling due within one year	7	428,055	394,963
Net current assets		352,473	361,221
Total assets less current liabilities		619,049	652,873
Creditors: amounts falling due after more than one year	8	100,975	190,781
Provisions			
Taxation including deferred tax		47,075	52,917
Net assets		470,999	409,175

Cottam and Brookes Engineering Co. (1985) Limited

Statement of Financial Position *(continued)*

31 March 2017

	Note	2017 £	2016 £
Capital and reserves			
Called up share capital		33,332	33,332
Capital redemption reserve		16,666	16,666
Profit and loss account		421,001	359,177
		-----	-----
Shareholders funds		470,999	409,175
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These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31st March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

These financial statements were approved by the board of directors and authorised for issue on 4 January 2018 , and are signed on behalf of the board by:

Mr J.A. Edmunds

Director

Company registration number: 02367635

Cottam and Brookes Engineering Co. (1985) Limited

Notes to the Financial Statements

Year ended 31st March 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is First Avenue, Trecenydd, Caerphilly, CF83 2SD.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Government grants

During the year the company received grants towards the cost of equipment and other expenditure. Grants awarded for the purchase of fixed assets are generally offset against the acquisition costs of the respective assets and reduce future depreciation charges accordingly. Grants awarded towards current period revenue expenditure are recognised in the profit and loss account immediately.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1st April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 12.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property	-	6% straight line
Plant & machinery	-	10% straight line
Motor vehicles	-	25% reducing balance
Office equipment	-	25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

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 entity after deducting all of its financial liabilities. Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 41 (2016: 41).

5. Tangible assets

	Long leasehold property £	Plant and machinery £	Motor vehicles £	Equipment £	Total £
Cost					
At 1st April 2016	2,755	910,563	25,620	48,859	987,797
Additions	–	23,405	–	–	23,405
Disposals	–	(5,681)	–	–	(5,681)
At 31st March 2017	2,755	928,287	25,620	48,859	1,005,521
Depreciation					
At 1st April 2016	1,410	640,396	19,474	34,865	696,145
Charge for the year	184	42,749	2,049	3,497	48,479
Disposals	–	(5,679)	–	–	(5,679)
At 31st March 2017	1,594	677,466	21,523	38,362	738,945
Carrying amount					
At 31st March 2017	1,161	250,821	4,097	10,497	266,576
At 31st March 2016	1,345	270,167	6,146	13,994	291,652

Short Leasehold Property consists of the following:- 2017 2016 £ £ Lease on land & property at First Avenue, Treceynydd Legal fees & stamp duty, etc 2,755 2,755 The freehold of the property belongs to the directors' pension fund and a lease for the premises was granted from the pension fund for a period of 15 years from August 2008 at an annual rent of £31,000 for the first five years.

6. Debtors

	2017 £	2016 £
Trade debtors	230,784	256,962
Other debtors	74,127	76,343
	304,911	333,305

7. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	198,050	105,088
Corporation tax	77,167	42,041
Social security and other taxes	36,879	16,683
Pension scheme loans	87,265	87,265
Other creditors	28,694	143,886
	428,055	394,963

The pension scheme loans are from the directors Delta Retirement Benefits Scheme and are secured by a charge over the company plant and machinery and equipment.

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

	2017	2016
	£	£
Pension scheme loans	100,975	190,781

The pension scheme loans are from the directors Delta Retirement Benefits Scheme and are secured by a charge over the company plant and machinery and equipment.

9. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	31,000	31,000
Later than 1 year and not later than 5 years	124,000	124,000
Later than 5 years	41,333	72,333
	196,333	227,333

The freehold of the property belongs to the directors' pension fund and a lease for the premises was granted from the pension fund for a period of 15 years from August 2008 at an annual rent of £31,000 for the first five years. There are no rent increases for the foreseeable future and the above figures are based on the current annual commitment.

10. Directors' advances, credits and guarantees

In March 2012 a loan of £70,000 was made at a commercial rate of interest of 5% by the company to Mr T.C. and Mrs D. Edmunds the parents of the company directors and shareholders Mr S.J. Edmunds and Mr J.A. Edmunds. The interest charged for this loan is £1,754 (2016 - £2,156). There are no conditions attached to this loan. At the year-end Mr T.C. and Mrs D. Edmunds owed the company £32,159 (2016 - £40,605).

11. Related party transactions

The company was controlled throughout the current and previous period by its directors, Mr J.A. Edmunds and Mr S.J. Edmunds by virtue of the fact that between them they own all of the company's ordinary share capital. The directors operate a current account with the company, which is debited with payments made by the company on behalf of a director and credited either with funds introduced or undrawn dividends/directors fees. The balance owed to the directors at the year-end amounted to £3,853, which is included in creditors due within one year. The company has borrowed £450,000 from the directors Delta Retirement Benefit Scheme at a fixed interest flat rate of 3.00%. The loan is secured by a charge over the company plant and machinery and equipment and is repayable over 60 months from March 2014. At the year-end the company owed £188,240 (2016 - £278,046).

12. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1st April 2015.

No transitional adjustments were required in equity or profit or loss for the year.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.