

Financial Statements
for the Year Ended
30th September 2018
for
GSPK Circuits Limited



Contents of the Financial Statements
for the Year Ended 30th September 2018

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

GSPK Circuits Limited
Company Information
for the Year Ended 30th September 2018

DIRECTORS:

A J Grisbrooke
S J Lloyd
M D Gibson
B D Gilbert
I S Kenyon
B D Pemberton

SECRETARY:

R S Gambles

REGISTERED OFFICE:

The Maltings
63 High Street
Ware
Hertfordshire
SG12 9AD

REGISTERED NUMBER:

03085850 (England and Wales)

AUDITORS:

Meyer Williams
Chartered Accountants
& Statutory Auditors
Stag House
Old London Road
Hertford
Hertfordshire
SG13 7LA

Balance Sheet
30th September 2018

	Notes	30.09.18 £	30.09.17 £
FIXED ASSETS			
Tangible assets	4	1,802,609	2,138,769
CURRENT ASSETS			
Stocks		885,446	795,239
Debtors	5	1,801,226	1,669,965
Cash at bank		<u>438,168</u>	<u>48,729</u>
		3,124,840	2,513,933
CREDITORS			
Amounts falling due within one year	6	<u>2,379,955</u>	<u>2,131,444</u>
NET CURRENT ASSETS		<u>744,885</u>	<u>382,489</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,547,494	2,521,258
CREDITORS			
Amounts falling due after more than one year	7	(235,115)	(325,040)
PROVISIONS FOR LIABILITIES		<u>(193,678)</u>	<u>(226,343)</u>
NET ASSETS		<u>2,118,701</u>	<u>1,969,875</u>
CAPITAL AND RESERVES			
Called up share capital		31,318	31,318
Share premium		145,577	145,577
Revaluation reserve		253,423	372,939
Other reserves		3,438	3,438
Retained earnings		<u>1,684,945</u>	<u>1,416,603</u>
SHAREHOLDERS' FUNDS		<u>2,118,701</u>	<u>1,969,875</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss account has not been delivered.

The financial statements were approved and authorised for issue by the Board of Directors on 24th May 2019 and were signed on its behalf by:


.....
A J Grisbrooke - Director

Notes to the Financial Statements
for the Year Ended 30th September 2018

1. **STATUTORY INFORMATION**

GSPK Circuits Limited is a private Company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (March 2018) and with the Companies Act 2006.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and are prepared in sterling which is the functional currency of the Company.

Going concern

The Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis for preparing its financial statements.

Related party exemption

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Critical judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had a significant effect on amounts recognised in the financial statements:

The annual depreciation charge is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. Where the fair value of fixed assets is assessed by the Directors at above net book value, the assets are revalued accordingly. Where fair value is assessed as less than net book value the assets are impaired. Increases in fair value above net book value but not cost are shown as reversals of depreciation. Increases in fair value above cost are shown as upwards revaluations and the movement is taken to the revaluation reserve.

The Directors make estimates of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, the factors considered include the current credit rating of the debtor, the ageing profile of debtors and historical experience.

The Company considers the recoverability of the costs of its stock holdings and the associated provisioning required. When calculating the stock impairment provision management considers the nature and condition of the stock as well as applying assumptions around future saleability.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied or services rendered, net of returns, discounts and valued added tax.

The Company recognises revenue when the significant risks and rewards of ownership have been transferred to the buyer; the Company retains no continuing involvement or control over the goods and the amount of revenue can be measured reliably.

Notes to the Financial Statements - continued
for the Year Ended 30th September 2018

2. **ACCOUNTING POLICIES - continued**

Tangible fixed assets

Tangible fixed assets are measured at cost (or deemed cost), except for revalued plant and machinery, less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- on a straight line basis, over a period up to 8 years
Fixtures and fittings	- on a straight line basis, over a period up to 6 years
Motor vehicles	- 50% on cost

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell, after making due allowance for obsolete and slow moving items.

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

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 effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents are represented by cash in hand and other short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk to changes in value.

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 - continued
for the Year Ended 30th September 2018

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of corporation tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

The Directors periodically evaluate the position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in the periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when 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 tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing differences.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on pure and applied research and development is written off in the year in which it is incurred.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Notes to the Financial Statements - continued
for the Year Ended 30th September 2018

2. **ACCOUNTING POLICIES - continued**

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated useful lives.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals applicable to operating leases where substantially all of the benefits of ownership remain with the lessor are charged to the profit and loss account on a straight line basis over the term of the lease.

Pension costs and other post retirement benefits

The Company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the profit and loss account in the period to which they relate.

Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade debtors, trade creditors and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method; Debt instruments that are payable or receivable within one year, typically trade payables or receivables, 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 case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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 income statement.

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 the best estimate, 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.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 73 (2017 - 67).

Notes to the Financial Statements - continued
for the Year Ended 30th September 2018

4. **TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Totals £
COST OR VALUATION			
At 1st October 2017	2,875,478	2,025,443	4,900,921
Additions	<u>33,362</u>	<u>44,009</u>	<u>77,371</u>
At 30th September 2018	<u>2,908,840</u>	<u>2,069,452</u>	<u>4,978,292</u>
DEPRECIATION			
At 1st October 2017	1,082,219	1,679,933	2,762,152
Charge for year	<u>344,278</u>	<u>69,253</u>	<u>413,531</u>
At 30th September 2018	<u>1,426,497</u>	<u>1,749,186</u>	<u>3,175,683</u>
NET BOOK VALUE			
At 30th September 2018	<u>1,482,343</u>	<u>320,266</u>	<u>1,802,609</u>
At 30th September 2017	<u>1,793,259</u>	<u>345,510</u>	<u>2,138,769</u>

Cost or valuation at 30th September 2018 is represented by:

	Plant and machinery £	Fixtures and fittings £	Totals £
Valuation in 2007	147,719	-	147,719
Valuation in 2012	1,358,757	-	1,358,757
Valuation in 2017	38,350	-	38,350
Cost	<u>1,364,014</u>	<u>2,069,452</u>	<u>3,433,466</u>
	<u>2,908,840</u>	<u>2,069,452</u>	<u>4,978,292</u>

If plant and machinery had not been revalued it would have been included at the following historical cost:

	30.09.18 £	30.09.17 £
Cost	<u>1,364,014</u>	<u>1,330,632</u>
Aggregate depreciation	<u>848,224</u>	<u>623,462</u>

Plant and machinery was valued on a market value basis on 30th September 2017 by the Directors.

The Directors have reviewed the valuation of plant and machinery during 2018 and concluded that there is no significant movement in this valuation as at 30th September 2018.

Plant and Machinery includes fixed assets with a net book value of £276,681 (2017: £324,132) which are held under hire purchase contracts.

Notes to the Financial Statements - continued
for the Year Ended 30th September 2018

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.09.18	30.09.17
	£	£
Trade debtors	1,545,902	1,475,664
Amounts due by group undertakings	36,381	143,560
Prepayments	218,943	50,741
	<u>1,801,226</u>	<u>1,669,965</u>

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.09.18	30.09.17
	£	£
Other loans	846,696	512,168
Hire purchase contracts (see note 8)	89,926	107,361
Trade creditors	1,143,521	1,230,530
Amounts due to group undertakings	72,599	63,373
Tax	26,016	20,546
Social security and other taxes	58,982	98,096
Accruals and deferred income	142,215	99,370
	<u>2,379,955</u>	<u>2,131,444</u>

7. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	30.09.18	30.09.17
	£	£
Hire purchase contracts (see note 8)	<u>235,115</u>	<u>325,040</u>

8. **HIRE PURCHASE AND LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

	Hire purchase contracts	
	30.09.18	30.09.17
	£	£
Net obligations repayable:		
Within one year	89,926	107,361
Between one and five years	<u>235,115</u>	<u>325,040</u>
	<u>325,041</u>	<u>432,401</u>

The Company had the following future minimum lease commitments payable under non-cancellable operating leases for each of the following periods:

	Operating leases	
	30.09.18	30.09.17
	£	£
Within one year	125,531	137,184
Between one and five years	480,000	482,634
More than five years	<u>350,000</u>	<u>470,000</u>
	<u>955,531</u>	<u>1,089,818</u>

Notes to the Financial Statements - continued
for the Year Ended 30th September 2018

9. **SECURED DEBTS**

The following secured debts are included within creditors:

	30.09.18	30.09.17
	£	£
Hire purchase contracts	325,041	432,401
Invoice discounting loans	<u>846,696</u>	<u>512,168</u>
	<u>1,171,737</u>	<u>944,569</u>

Invoice discounting loans are secured by a debenture dated 25th July 2007, an all assets debenture dated 28th August 2007 and a chattel mortgage dated 10th October 2007.

Hire purchase obligations are secured on the assets to which they relate.

10. **DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Ralph Sears (Senior Statutory Auditor)
for and on behalf of Meyer Williams

11. **CAPITAL COMMITMENTS**

	30.09.18	30.09.17
	£	£
Contracted but not provided for in the financial statements	<u>205,692</u>	<u>-</u>

12. **PARENT COMPANY AND ULTIMATE PARENT COMPANY**

The parent company and ultimate parent company in the current and previous year is Tappenden & Co Limited whose registered office is The Maltings, 63 High Street, Ware, Hertfordshire SG12 9AD.