

Northern Drives & Controls Limited

Unaudited Report and Financial Statements

Year Ended

31 December 2016

Company Number 3098497

WEDNESDAY



A6EVCLQH

A21

13/09/2017

#418

COMPANIES HOUSE

Northern Drives & Controls Limited

Company Information

Directors	D G Griffin J Griffin
Company secretary	D G Griffin
Registered number	3098497
Registered office	Clarke Industrial Estate St Mowden Road Manchester M32 0ZF
Accountants	BDO LLP 3 Hardman Street Manchester M3 3AT

Northern Drives & Controls Limited

Contents

	Page
Accountants' Report	1
Statement of Financial Position	2 - 3
Statement of Changes in Equity	4
Notes to the Financial Statements	5 - 13

Northern Drives & Controls Limited

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of Northern Drives & Controls Limited For the year ended 31 December 2016

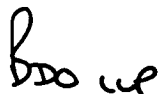
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Northern Drives & Controls Limited for the year ended 31 December 2016 which comprise the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the board of directors of Northern Drives & Controls Limited, as a body, in accordance with the terms of our engagement letter dated 24 February 2016. Our work has been undertaken solely to prepare for your approval the accounts of Northern Drives & Controls Limited and state those matters that we have agreed to state to the board of directors of Northern Drives & Controls Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Northern Drives & Controls Limited and its board of directors as a body for our work or for this report.

It is your duty to ensure that Northern Drives & Controls Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and result of Northern Drives & Controls Limited. You consider that Northern Drives & Controls Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Northern Drives & Controls Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.



BDO LLP
Chartered Accountants
Manchester
United Kingdom

28 August 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Northern Drives & Controls Limited

Registered number:3098497

Statement of Financial Position As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	4	232,781	237,856
Investments	5	5,106	-
		<u>237,887</u>	<u>237,856</u>
Current assets			
Stocks	6	226,007	200,728
Debtors: amounts falling due within one year	7	1,277,704	1,476,021
Cash at bank and in hand		728,271	144,537
		<u>2,231,982</u>	<u>1,821,286</u>
Creditors: amounts falling due within one year	8	(331,061)	(378,342)
Net current assets		<u>1,900,921</u>	<u>1,442,944</u>
Total assets less current liabilities		<u>2,138,808</u>	<u>1,680,800</u>
Provisions for liabilities			
Deferred tax	9	(25,038)	(22,554)
Other provisions	10	(20,300)	(6,300)
		<u>(45,338)</u>	<u>(28,854)</u>
Net assets		<u><u>2,093,470</u></u>	<u><u>1,651,946</u></u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		2,093,469	1,651,945
Equity attributable to the owners of the parent company		<u><u>2,093,470</u></u>	<u><u>1,651,946</u></u>

Northern Drives & Controls Limited

Registered number:3098497

Statement of Financial Position (continued)

As at 31 December 2016

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.

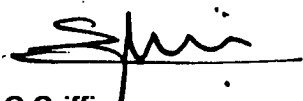
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered to the registrar in accordance with the provisions of the Companies Act 2006 applicable to companies subject to the small companies regime.

A copy of the company's statement of comprehensive income has not been delivered to the registrar of companies.

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

23 August 2017.



D G Griffin
Director

The notes on pages 5 to 13 form part of these financial statements.

Northern Drives & Controls Limited

Statement of Changes in Equity For the Year Ended 31 December 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	1	1,018,338	1,018,339
Comprehensive income for the year			
Profit for the year	-	783,607	783,607
Total comprehensive income for the year	-	783,607	783,607
Dividends: Equity capital	-	(150,000)	(150,000)
Total transactions with owners	-	(150,000)	(150,000)
At 1 January 2016	1	1,651,945	1,651,946
Comprehensive income for the year			
Profit for the year	-	691,524	691,524
Total comprehensive income for the year	-	691,524	691,524
Dividends: Equity capital	-	(250,000)	(250,000)
Total transactions with owners	-	(250,000)	(250,000)
At 31 December 2016	1	2,093,469	2,093,470

The notes on pages 5 to 13 form part of these financial statements.

Northern Drives & Controls Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

1. General information

Northern Drives and Controls Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the Company Information page. The nature of the company's operations and its principal activities are outlined in the director's report.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company accounting policies.

The company is a parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as individual undertaking and not about its group.

The following principal accounting policies have been applied:

2.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

2.3 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.4 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Northern Drives & Controls Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

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:

Improvements to leasehold property	- 10% straight line
Plant & machinery	- 10% and 25% straight line
Motor vehicles	- 25% straight line

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.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 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.

2.7 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.

2.8 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.

Northern Drives & Controls Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.9 Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The company's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

2.10 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.

2.11 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'.

2.12 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.

Northern Drives & Controls Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.14 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.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.15 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.

2.16 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.

Northern Drives & Controls Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.17 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.

3. Employee numbers

The average monthly number of employees, including directors, during the year was 47 (2015 - 46).

Northern Drives & Controls Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

4. Tangible fixed assets

	Improve- ments to leasehold property £	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2016	72,063	431,950	11,611	515,624
Additions	8,624	37,863	-	46,487
At 31 December 2016	<u>80,687</u>	<u>469,813</u>	<u>11,611</u>	<u>562,111</u>
Depreciation				
At 1 January 2016	10,159	258,001	9,608	277,768
Charge for the period on owned assets	7,608	41,953	2,001	51,562
At 31 December 2016	<u>17,767</u>	<u>299,954</u>	<u>11,609</u>	<u>329,330</u>
Net book value				
At 31 December 2016	<u>62,920</u>	<u>169,859</u>	<u>2</u>	<u>232,781</u>
At 31 December 2015	<u>61,904</u>	<u>173,949</u>	<u>2,003</u>	<u>237,856</u>

Northern Drives & Controls Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
Additions	5,106
At 31 December 2016	5,106
Net book value	
At 31 December 2016	5,106
At 31 December 2015	-

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Northern Drives and Controls Espana SL	Spain	Ordinary	100 %	Industrial electronic repairs and installations
Northern Drives and Controls Italia S.R.L	Italy	Ordinary	100 %	Industrial electronic repairs and installations

6. Stocks

	2016 £	2015 £
Raw materials and consumables	214,457	190,050
Work in progress (goods to be sold)	11,550	10,678
	226,007	200,728

Northern Drives & Controls Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

7. Debtors

	2016 £	2015 £
Trade debtors	522,308	550,331
Amounts owed by group undertakings	553,112	498,310
Other debtors	69,588	307,801
Prepayments and accrued income	132,696	119,579
	<u>1,277,704</u>	<u>1,476,021</u>

8. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	171,306	164,034
Corporation tax	56,769	111,494
Other taxation and social security	43,265	45,307
Other creditors	10,153	9,049
Accruals and deferred income	49,568	48,458
	<u>331,061</u>	<u>378,342</u>

9. Deferred taxation

	2016 £
At beginning of year	22,554
Charged to profit or loss	2,484
At end of year	<u><u>25,038</u></u>

The provision for deferred taxation is made up as follows:

	2016 £
Accelerated capital allowances	<u><u>25,038</u></u>

Northern Drives & Controls Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

10. Provisions

	Warranty provision £
At 1 January 2016	6,300
Charged to profit or loss	14,000
At 31 December 2016	20,300

11. Related party transactions

During the year the company sold goods and services to the value of £4,744 (2015: £2,196) to Complete Plant Maintenance Engineering Limited, the parent undertaking. It purchased goods and services to the value of £595 (2015: £3,828) and had a management charge receivable of £326,652 (2015: £272,328). A dividend of £250,000 was paid in the year (2015: £150,000).

At the year end £553,112 (2015: £498,310) was due from Complete Plant Maintenance Engineering Limited.

During the year the company purchased goods and services to the value of £720 (2015: £40,262) from CPM Engineering Limited, a company which D G Griffin and J Griffin are also directors.

During the year, the company paid rent of £56,000 (2015: £56,000) to CPM Engineering Limited Pension Scheme, a pension scheme in which D G Griffin and J Griffin are both a trustee and a beneficiary.

Included in other debtors is a loan of £NIL (2015: £7,895) owed by J Griffin, a director. No interest was charged on the loan in either year. Also included in other debtors is a loan of £124 (2015: £124). No interest was charged on the loan in either year.

12. Ultimate parent undertaking and controlling party

The company is controlled by Complete Plant Maintenance Engineering Limited. In the opinion of the directors this is the company's ultimate parent company. Complete Plant Maintenance Engineering Limited is ultimately controlled by D G Griffin. Its registered office address is Clarke Industrial Estate, Saint Mowden Road, Stretford, Manchester, M32 0ZF.

13. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.