

Company Registration No. 03951010 (England and Wales)

UEI FINE CUT LIMITED T/A UEI FALCONTEC LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017
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UEI FINE CUT LIMITED T/A UEI FALCONTEC LIMITED

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UEI FINE CUT LIMITED T/A UEI FALCONTEC LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	2017 £
Fixed assets			
Intangible assets	4	-	21,562
Tangible assets	5	545,827	573,643
Investments	6	330,000	330,000
		<u>875,827</u>	<u>925,205</u>
Current assets			
Stocks		589,272	415,957
Debtors	7	909,935	966,452
Cash at bank and in hand		240,204	186,715
		<u>1,739,411</u>	<u>1,569,124</u>
Creditors: amounts falling due within one year	8	<u>(500,142)</u>	<u>(393,046)</u>
Net current assets		<u>1,239,269</u>	<u>1,176,078</u>
Total assets less current liabilities		<u>2,115,096</u>	<u>2,101,283</u>
Creditors: amounts falling due after more than one year	9	<u>(763,733)</u>	<u>(764,750)</u>
Net assets		<u><u>1,351,363</u></u>	<u><u>1,336,533</u></u>
Capital and reserves			
Called up share capital	10	580,100	580,100
Profit and loss reserves		771,263	756,433
Total equity		<u><u>1,351,363</u></u>	<u><u>1,336,533</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 27 April 2018 and are signed on its behalf by:



Mr L R Hutchison
Director

Company Registration No. 03951010

UEI FINE CUT LIMITED T/A UEI FALCONTEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

UEI Fine Cut Limited t/a UEI Falcontec Limited is a private company limited by shares incorporated in England and Wales. The registered office is Falcon House, Mucklow Hill, Halesowen, West Midlands, B62 8DT.

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.

1.2 Reporting period

The reporting period is for the three months to December 2017. The year end has been changed to align with that of the parent company. Comparative amounts represent twelve months to September 2017 and are therefore not entirely comparable.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 4 or 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 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.

UEI FINE CUT LIMITED T/A UEI FALCONTEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	20% straight line basis
Plant and machinery	6% - 33% straight line basis
Fixtures, fittings & equipment	25% straight line basis
Computer equipment	33% straight line basis
Motor vehicles	25% straight line basis

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.

1.6 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.

1.7 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.

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.

UEI FINE CUT LIMITED T/A UEI FALCONTEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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.

1.8 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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.

1.9 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.

1.10 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.

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.

UEI FINE CUT LIMITED T/A UEI FALCONTEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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.

1.11 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.

1.12 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.

1.13 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.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the Period was 40 (2017 - 42).

3 Taxation

The company has estimated losses of £595,879 (£679,552) available for carry forward against future trading profits.

UEI FINE CUT LIMITED T/A UEI FALCONTEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2017

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 October 2017 and 31 December 2017	586,892
Amortisation and Impairment	
At 1 October 2017	565,330
Amortisation charged for the Period	21,562
At 31 December 2017	586,892
Carrying amount	
At 31 December 2017	-
At 30 September 2017	21,562

5 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 October 2017	108,626	1,320,083	1,428,709
Additions	-	16,772	16,772
Disposals	-	(3,275)	(3,275)
At 31 December 2017	108,626	1,333,580	1,442,206
Depreciation and Impairment			
At 1 October 2017	87,486	767,580	855,066
Depreciation charged in the Period	6,554	38,034	44,588
Eliminated in respect of disposals	-	(3,275)	(3,275)
At 31 December 2017	94,040	802,339	896,379
Carrying amount			
At 31 December 2017	14,586	531,241	545,827
At 30 September 2017	21,140	552,503	573,643

UEI FINE CUT LIMITED T/A UEI FALCONTEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2017

6	Fixed asset investments	2017	2017
		£	£
	Investments	330,000	330,000
		<u> </u>	<u> </u>
<p>The value of investments has been determined by historical cost rather than market value, and represents the holding of shares in the dormant company, UEI Falcontec Limited.</p>			
7	Debtors	2017	2017
		£	£
	Amounts falling due within one year:		
	Trade debtors	879,227	940,502
	Other debtors	30,708	25,950
		<u> </u>	<u> </u>
		909,935	966,452
		<u> </u>	<u> </u>
8	Creditors: amounts falling due within one year	2017	2017
		£	£
	Trade creditors	192,732	195,318
	Amounts due to group undertakings	227,909	67,863
	Other taxation and social security	52,264	87,541
	Other creditors	27,237	42,324
		<u> </u>	<u> </u>
		500,142	393,046
		<u> </u>	<u> </u>
9	Creditors: amounts falling due after more than one year	2017	2017
		£	£
	Other creditors	763,733	764,750
		<u> </u>	<u> </u>
10	Called up share capital	2017	2017
		£	£
	Ordinary share capital issued and fully paid 580,100 Ordinary Shares of £1 each	580,100	580,100
		<u> </u>	<u> </u>
		580,100	580,100
		<u> </u>	<u> </u>

UEI FINE CUT LIMITED T/A UEI FALCONTEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2017

11 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 Wendy Davies.
The auditor was CK Audit.

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	2017
£	£
256,667	268,167
<u>256,667</u>	<u>268,167</u>

13 Events after the reporting date

Review and discussion with management identified no events of material significance occurring after the balance sheet date.

14 Parent company

The immediate and ultimate parent company is Universal Engraving Inc., a company incorporated in the United States of America.

The ultimate controlling party is Universal Engraving, Inc. a USA company. LR Hutchison is President of Universal Engraving, Inc. and GE Hutchison is the Chairman of the Board. GE Hutchison is the father of LR Hutchison and JA Hutchison.